



Prime Minister Tomiichi Murayama and President Bill Clinton at a news conference following their talks at the Group of Seven meeting in Naples on Friday.

No Support in Sight For Dollar as G-7 Opens Naples Talks

By Alan Friedman

International Herald Tribune

NAPLES — As leaders of the world's seven richest industrial democracies assembled here Friday for their annual summit, President Bill Clinton and other U.S. officials appeared to rule out any immediate and concerted action by the seven to prop up the ailing yen.

Moments after Mr. Clinton spoke, the dollar tumbled to a 20-month low against the Deutsche mark and fell against the yen as well. (Page 10)

Mr. Clinton, just hours after his first meeting with the newly installed prime minister of Japan, Tomiichi Murayama, said: "We should be very concerned about the value of our dollar, and we should tell the world that we do not wish to have a low dollar."

But he stressed that the U.S. currency had dropped to "an historic low against the yen only" and predicted that the value of the dollar would rebound once Japan's economic recovery expands and U.S.-Japanese trade talks make progress on opening Japan's markets.

Mr. Murayama conceded: "I don't think there will be stability immediately" in the volatile yen-dollar relationship.

Mr. Clinton also noted that coordinated central bank interventions in foreign exchange markets sometimes "work for a little bit and sometimes they can make a real difference." But he said that over the long run the best thing to do to stabilize the dollar was "to send a signal to the markets that we are working on the economic fundamentals."

Lloyd Bentsen, the U.S. Treasury secretary, said after meeting his Japanese counterpart that "we have concern about volatility in our currencies, but the underlying fundamentals are excellent."

A senior Clinton administration official who asked not to be named said, "We do not see a currency agreement coming out of this summit."

Another U.S. official noted that while a coordinated intervention by the Group of Seven industrialized countries was "not in the works," there might well be an expression of concern about the dollar's weakness by G-7 leaders.

"We never signal our future intentions on interventions, but developments in the currency markets are of concern and there

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Clinton Says Junta Actions To Determine Haiti's Fate

By Ruth Marcus

Washington Post Service

NAPLES — President Bill Clinton on Friday defended his decision to refuse political asylum in the United States to Haitian boat refugees, and said he was disappointed in Panama's "retraction" of its offer to provide shelter to fleeing Haitians there.

Speaking at a news conference on the first day of the Group of Seven summit meeting here, he repeatedly refused to rule out military action to oust the Haitian leadership and said it was their abusive behavior — not U.S. actions — that had created the recent surge of refugees.

The conduct of the military leaders in Haiti will have more than anything else to do with what options are considered when," he said. "And that conduct has not been good." It was one of his most explicit statements yet about the prospect of military intervention by the United States.

A senior U.S. official said later that Mr. Clinton's comments should be taken as "a strong statement of the general point" that military action is among the options but not as a sign such a move is imminent.

The official cited "signs of ferment" in the Haitian military forces as one of what he described as "increasing signs" that tightened economic sanctions are working. But he acknowledged that "the refugee flow makes the problem a lot more difficult."

More than 17,000 refugees have been picked up by the U.S. Coast Guard since the United States announced that it was reversing its previous position and would begin processing refugees aboard ships.

The heavy flow of refugees led the administration earlier this week to shift position yet again, announcing that Haitians picked up on the high seas would no longer be eligible for political asylum in the United States. Instead, they will be sent to "safe havens" at the Guantanamo naval base in Cuba and in other countries where they would await a time when they could be returned safely to Haiti. Only Haitians who take the risk of going to processing centers in Haiti would be able to enter the United States.

Mr. Clinton, in his first comments on the latest twist in U.S. policy, said See HAITI, Page 5

West gropes for a Post-Cold War Grand Design

By Craig R. Whitney

New York Times Service

NAPLES — President Bill Clinton's trip to Eastern and Central Europe and the conference of seven major industrial democracies that began here Friday both show European leaders how far they still have to go, five years after the Cold War ended, to solve the security and economic problems that followed it.

From the European point of view, Mr. Clinton's role is crucial. Without clear American leadership and commitment, the West can neither redefine relations with Russia and the East European countries the Soviet Union used to dominate, nor redefine the institutions needed to ensure lasting stability from the Atlantic to the Urals in the new era.

Those are the broadest purposes of Mr. Clinton's trip and of the annual economic summit meeting here, which for the first time will include President Boris N. Yeltsin of Russia as a full participant in the political part of the gathering that will begin Saturday night after the economic discussions end.

Mr. Yeltsin is not participating in the economic talks, which the Europeans would like to center on jobs and the lack of them in Western Europe, where an average of 11 percent of the work force is unemployed.

The problem could become even more acute as low-wage East European countries make the transition to a free market economy and increase their exports of cheap manufactured goods, because Western Europe's welfare

NEWS ANALYSIS

state economies make labor too expensive to cope with the growing competitive challenges of the global economy.

"Unemployment is the central problem of our economies, and has become the problem of the G-7," a high-ranking French aide to President François Mitterrand said. "If we do not solve it, we risk shaking the foundations of our entire economic system."

But unemployment is only one of the problems that has to be solved in the post-Cold War economic frame-

work. With many European leaders in weak domestic political positions or facing elections within the next year, few are eager to tell voters that things like six-week annual vacations and 35-hour workweeks may be things West Europeans may have to sacrifice as their neighbors to the east begin to compete with them economically.

The U.S. economy has generated millions of jobs over the past two years, and Washington is encouraging its European and Japanese allies to pursue high-growth economic policies in the year ahead. But uncertainty about trade imbalances and concern about the Clinton administration's trade policy toward Japan have weakened the dollar on international currency markets.

European leaders seem to view that as primarily an American problem.

"There's been no effect on the European currency system," said Gert Haller, a German Finance Ministry official.

Many European officials regard Mr. Clinton's foreign policy team as weak and think his attention to European

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See DOLLAR, Page 5

Aid Agencies in Rwanda Face 'Logistical Nightmare'

By Raymond Bonner

New York Times Service

CYANICA, Rwanda — Two weeks ago, about 40,000 refugees had jammed themselves into this hilltop village. Now there are at least 60,000, and peasant families continue to stream in, arriving after days of walking, in rags, dirty, exhausted, suffering from malaria and dysentery.

The International Committee of the Red Cross estimates that at least 1.8 million Rwandans have been forced to flee their villages and are living in makeshift camps like this one.

"There is no other situation like this in the world today, in terms of scale," said Patrick Fuller, a Red Cross spokesman. The population of this small country before the war was slightly under 8 million, which would mean that almost a quarter of the population has been made homeless by the war between the Hutu-dominated government and Tutsi-led rebels.

Thomas Gurtner, the Red Cross relief coordinator for Rwanda, described the situation as "alarming" but said there was "still a chance to save these people if we get cracking."

Providing for the needs of 1.8 million displaced people will be a "logistical nightmare," he added.

More than 1.4 million of the displaced are Hutu jammed into the shrinking sec-

Tutsi-led rebels agree to respect a no-fight zone for refugees. Page 2

tion of the country controlled by the government.

Though other charities are returning to this side of the front line, for the last three months the Red Cross has been the principal international relief organization in the Hutu areas. In the rebel-controlled areas, at least 10 international agencies are providing relief, according to a May 28 report

by the Rwanda Patriotic Front, the Tutsi-dominated rebel group.

Many of the foreigners who were working in government areas left in April after Rwanda's president, Juvenal Habyarimana, died in a suspicious plane crash, unleashing a wave of killing, mostly of Tutsi and moderate Hutu who were opposed to the government.

The Red Cross has been operating on both sides of the line since the outbreak of the civil war in October 1990. "It is no safer on the RPF side than here," Mr. Gurtner said.

Many of the aid agencies that fled Rwanda now operate out of Bujumbura, the capital of neighboring Burundi. The agencies hold weekly meetings to discuss the crisis in Rwanda, but so far they have delivered little but promises, said Stephen Jackson, who works here for Trocaire, an Irish relief agency.

Trocaire has been providing logistical support for three Catholic nuns from the

Medical Missionaries of Mary, of Dublin, who have been struggling to save lives at the camp in Cyanika since they arrived June 23.

Seven or eight people are dying in Cyanika every day, said Dr. Genevieve van Waesberge, one of the three nuns, as she tended to a two-year-old boy who was in critical condition: he had been struck by a tree being felled by another refugee for his shelter. Dr. van Waesberge said the situation was more disastrous in nearby camps where there is no foreign assistance.

Most of the aid delivered to more than 350,000 refugees in the Cyanika area has been provided by Caritas, the relief agency of the Catholic Church. But to help the refugees, Caritas has had to draw on food supplies intended for famine victims.

The World Food Program is already stretched, providing for the needs of more than 250,000 refugees in Sudan, Somalia and Ethiopia.

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Plan to Split Bosnia Challenges Serbs

Leaders Studying a Proposal Short of Territorial Demands

By Roger Cohen
New York Times Service

ZAGREB, Croatia — The latest map advanced by international diplomats for a settlement of the Bosnian war offers the Muslim-led Bosnian government a more extensive and viable territory than any previous proposal, but appears to pose critical problems for the Bosnian Serbs.

Throughout the 27-month Bosnian war, the Bosnian Serbs have made two basic demands: that their territory in Bosnia be contiguous rather than fragmented, and that their claim to separate statehood or eventual integration with Serbia be accepted.

These two demands reflect the deeply held Serbian view that the international recognition of Bosnia in April 1992 was a travesty that failed to take account of the fact that the Serbs — almost one-third of the prewar Bosnian population — had made their objections to secession from Yugoslavia abundantly clear.

The result was that a large Serbian minority was left facing a fairly hostile Muslim-led government in a country whose existence the Serbs had never accepted.

In the new map, prepared by the United States, Russia, France, Britain and Germany, the Serbs will find little satisfaction.

The corridor connecting their territory in eastern and western Bosnia tapers to a narrow point in the northern town of Brcko, leaving the Serbian land acutely vulnerable to the fragmentation they have repeatedly rejected.

Moreover, Secretary of State Warren M. Christopher said categorically this week that the map was intended "to preserve the state of Bosnia as a single state within its internationally recognized borders."

Thus, while the Clinton administration has reluctantly agreed to give the Serbs several towns in which they killed or evicted the Muslim population, it has — after some wavering — decided not to budge on the question of Bosnia's remaining a single state.

Bosnian Serbs' pretensions toward independence or union with Serbia will not be tolerated, the United States feels.

The Bosnian Serbs' leader, Radovan Karadzic, made his objections to this clear on Thursday, saying that "constitutional principles may determine whether we are going to accept the plan or not."

In other words, officials close to Mr. Karadzic said, the Bosni-

an Serb leader wants international recognition of his self-styled Bosnian Serb state, or at least of the right of the Bosnian Serbs to an eventual union with Serbia. The most he is likely to be offered, however, is some kind of confederation with Serbia.

On the question of the need for secure links between Serbian land in eastern and western Bosnia, Momočilo Krajisnik, the speaker of the Bosnian Serbs' Parliament, said, "This proposal for Brcko does not suit us at all."

Other Serbian concerns center on the land according to the Muslim-Croatian federation in eastern Bosnia on the border with Serbia. This cuts Serbian-held land in the northeast and southeast of Bosnia. In the dark visions of many Serbian nationalists, it brings closer the link they call "Allah's road" or "the green transversal," connecting the restive Muslim population of the Sandžak area of Serbia and Montenegro with the Muslims of Bosnia.

Mr. Karadzic has said repeatedly that eastern Bosnia could not be settled until the status of Sarajevo was determined. But under the new proposal, Sarajevo is to be administered by the United Nations for two years pending a decision on its status.

For the Muslim-led Bosnian government, the map offers many advantages, not least the handing over of all or most of several important Serbian-held towns, including Jajce, Doboj, Sanski Most, Brcko, and Visegrad.

It provides access to the sea in the south and to the Sava River in the north. The eastern enclaves are incorporated into the main territory, albeit by its own tenuous corridor, and only the Bihać area in the west and the area north of the Serbs' northern corridor are left fragmented.

On the other hand, Muslim refugees who have fought for more than two years to return to towns like Prijedor, Banja Luka, Zvornik, and Vlasenica would have to be told by the government that they are not going home.

"The plan is less favorable to the Serbs than it is to us," the Bosnian president, Alija Izetbegović, said Thursday. "Despite everything, my opinion is that we should accept this plan, that we should not refuse it, because by refusing it we would do a favor to Karadzic and Milošević."

Both sides have to reply to the United States, Russia and the Europeans by July 19.

UN Seeks to Extend Truce That Helped Calm Bosnia

Compiled by Our Staff From Dispatches

SARAJEVO, Bosnia-Herzegovina — United Nations officials tried Friday to persuade the warring parties in Bosnia to agree to an extension of a month-long truce that has brought relative calm to most of the country despite major violations in a few areas.

"We've seen a general decrease in the level of hostilities and the area of hostilities has been generally confined," said a UN spokesperson, Claire Grimes, summing up the truce that expires Sunday.

"We're hoping it will be extended," she added. "We're hoping we can get guarantees from both sides."

A UN special envoy, Yasushi Akashi, traveled to Mostar to win agreement from Ejup

Ganic, vice president of Bosnia's new Muslim-Croat federation, who negotiated the initial truce for his side last month.

Mr. Akashi was scheduled to travel by helicopter to Pale to meet Radovan Karadzic, president of the self-styled Republic of Srpska that rebel Serbian soldiers have carved out of Bosnia in 27 months of war.

The United Nations reported heavy fighting Friday in the northwestern town of Bihać between Bosnian government troops and forces loyal to a breakaway Muslim leader.

UN soldiers and aid workers remained trapped on their base.

Major Jean-François Philippe, spokesman for French peacekeepers in the region, said in a telephone interview that there had been "heavy fighting."

Movement of as many as 144 French soldiers along with up to 50 UN military observers, European Union monitors and Red Cross personnel, was restricted by the Bosnian Army 5th Corps for a second day, Major Philippe said.

Ten armed soldiers were guarding the gate, restricting any movement, Shabhray Khan, said.

(Reuters, AP)

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Mr. Gorbachev testifying Friday. "I realize that everything is being done here to provoke me," he said at one point.

Coup Suspect Tries to Turn Tables on Gorbachev

MOSCOW — Former President Mikhail S. Gorbachev was goaded and taunted in court on Friday in his first confrontation since the failed coup of 1991 with a general accused of trying to overthrow him.

"You're a liar!" Mr. Gorbachev shouted at one point, waving his finger angrily at former Deputy Defense Minister V-

ladimir Varennikov tried to turn the witness into the accused.

General Varennikov, who led a mission to Mr. Gorbachev's Crimean vacation home on the eve of the coup, read 33 long questions portraying Mr. Gorbachev as a man who had wrecked Moscow's defenses, sold out to Washington, abandoned the Warsaw Pact, betrayed the army in Afghanistan and finally de-

stroyed the Soviet Union itself. Thirty-one times the judge ruled that the questions were irrelevant to the case and inadmissible.

"What exactly do you mean by a coup?" General Varennikov asked at one point.

"If you don't understand, it's useless trying to explain to you," Mr. Gorbachev snapped back.

Heckled, China's Leader Shuns Germans

Compiled by Our Staff From Dispatches

MUNICH — Shunning German officials for the third day in a row, Prime Minister Li Peng of China canceled his official program Friday and retreated to his hotel after being heckled over human rights abuses in his country.

Rather than face more noisy protests, Mr. Li backed out of an afternoon boat trip and a tour of a farm outside the city following a meeting with business leaders, the Bavarian state press office said. He has been in Germany on an official visit.

It was the fourth time in three days that Mr. Li had either canceled or walked out of events where he encountered protests.

He left a dinner in Berlin late Wednesday, then the Brandenburg Gate and cut short a visit to Weimar on Thursday.

Mr. Li is to leave Germany on Saturday afternoon for Romania, ending a trip here that was successful in drumming up business but was a public relations nightmare.

Unlike the big rallies that led him to cancel parts of his itinerary in Berlin and Weimar, only five or six demonstrators showed up Friday at a pier on the Tegernsee Lake where he was to board his boat.

German protesters had planned to place a two-meter (six-foot) copy of the Statue of Liberty on the dock at the lake.

A similar reproduction was a focal point in 1989 of the pro-democracy demonstration in Beijing that Mr. Li and other Chinese leaders ordered crushed with tanks and troops.

The official program will no longer be followed," a Bavarian government spokesman said, quoting the Chinese delegation's chief of protocol.

The five-day program began with a cordial welcome from political and business leaders eager to tap China's huge emerging market. Mr. Li's large trade delegation signed about \$3.5 billion worth of contracts

and declarations of intent with German firms.

The Social Democratic leader, Rudolf Schärpung, who met Mr. Li in Bonn earlier in the week, said he was astounded the Chinese prime minister had avoided demonstrations.

"Somebody who moves around in a Western democracy must be able to cope with the conditions of a democracy," he told the Hamburg Morgenpost.

Bonn and Beijing insisted earlier that Mr. Li's trade tour

of Germany had been a success despite the Chinese leader's conflict with protesters.

"We had already classed this visit as successful and we see no reason to change that," said Chancellor Helmut Kohl's spokesman, Dieter Vogel.

"Of course, the success of the visit will only be proven when we see what is produced by the contracts and the business talks."

He played down Mr. Li's abrupt withdrawals, saying pro-

test demonstrations were not made in countries like Germany.

Chinese officials also brushed off the encounters as unimportant.

"Premier Li Peng is accorded a hospitable and friendly reception during his visit in Germany," a Chinese Foreign Ministry spokeswoman said.

"His visit is fruitful and is a complete success and will play an important role in pushing forward Sino-German relations." (AP, Reuters, AFP)

Russia Offers Light-Water Reactor

The Associated Press

SEOUL — Russia is ready to provide North Korea with a light-water nuclear reactor to replace its outdated graphite-moderated one, the Russian ambassador to Seoul said Friday.

Proposals to provide a new reactor are among efforts to settle tensions over the Communist North's nuclear program. A light-water reactor would be safer and produce less plutonium, which could be used to make atomic bombs.

South Korea, the United States and Japan are discussing plans to provide the North with a Russian-made reactor. South Korea's science and technology minister said this week that he was to board his boat.

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The Russian ambassador, Georgi F. Kunadze, said Friday that "Russia has the best light-water technology and equipment in the world, and we will actively cooperate when North Korea asks for our assistance."

Mr. Kunadze made the offer at a meeting of business leaders and diplomats. But he added that the North would first have to comply fully with international efforts to stop the spread of nuclear weapons under the Nuclear Nonproliferation Treaty.

The North asked for a light-water reactor among its conditions for freezing its nuclear program. The United States accepted the reactor demand in principle. The two sides were to discuss the issue during talks in Geneva that started Friday.

Beijing Cites Pact With Pyongyang

The Associated Press

BEIJING — China's ambassador to North Korea stressed the importance of the treaty under which the Chinese must come to North Korea's aid if it is attacked, an official report said Friday.

The ambassador, Qiao Zonghui, told an official gathering in Pyongyang that cooperation under the 1961 Chinese-North Korean treaty of friendship and mutual assistance "has a far-reaching effect on the maintenance of peace in Asia."

Mr. Qiao's remarks, quoted by the official Chinese press agency, Xinhua, represent another signal from Beijing that it could take North Korea's side if the international dispute over the nuclear program flares up.

"Under the treaty, North Korea and China are committed to offering one another immediate military and other assistance in the event of an attack. The pact does not apply if either country is the aggressor in a war."

Xinhua paraphrased Mr. Qiao as saying that China would "spare no effort to further strengthen" its friendship with North Korea.

Other Chinese leaders have stressed the long-standing ties between China and North Korea.

On Friday, Vice President Rong Yiren of China told visiting North Korean economic officials that "stronger Chinese-Korean ties of friendship are in accord with the fundamental interests of the two peoples," Xinhua reported.

Rwanda Rebels Agree to a No-Fight Zone

He said the protection zone had been approved by the interim government and by French troops.

Unresolved issues still block a cease-fire, but Mr. Khan said he believed the government and rebels had come to agreement on a cessation of hostilities.

One condition for a truce was that the Hutu militiamen blamed for the slayings and the government leaders who incited the massacres be captured and punished, Mr. Khan said.

Mr. Khan said the Security Council would send a team of judicial experts to Rwanda to try to bring the killers to justice. The rebel Rwandan Patriotic Front has not fully agreed to the UN plan, but was receptive to it, Mr. Khan said.

In Paris, Foreign Minister Alain Juppé of France met with representatives of 17

private aid agencies and appealed to them to supply the 500 tons of food he said the nation needs daily.

Prime Minister Edouard Balladur is to travel to New York on Monday to make the case before the UN secretary-general.

One condition for a truce was that the Hutu militiamen blamed for the slayings and the government leaders who incited the massacres be captured and punished, Mr. Khan said.

"The contract is fulfilled, lives have been saved, the safe zone is secured — now it's up to the UN," said an official.

Mr. Juppé said he received information Friday from the United Nations that a multinational peacekeeping force would be ready to relieve the French by early August.

(Reuters, AP)

WORLD BRIEFS

Mandela Cracks Down on Violence

JOHANNESBURG (AP) — President Nelson Mandela warned Friday that security forces would crack down on factional violence in black townships southeast of Johannesburg that has killed at least 22 people in the past week.

He said that he would take "very tough action" against anyone "killing innocent people." He said he had been asked to intervene by provincial authorities around Johannesburg after they failed to curb a resurgence of low-level township warfare.

After a half that accompanied South Africa's first all-race elections in April, bloody feuding has resumed in townships around Johannesburg and in KwaZulu-Natal Province on the east coast. On Wednesday, 11 people were killed when gunmen using assault rifles opened fire on cars and taxi vans near Katlehong township outside Johannesburg.

Shuttle Lifts Off With Array of Fish

CAPE CANAVERAL, Florida (AP) — The space shuttle Columbia blasted off Friday with an international crew and a cargo of thousands of fish, worms and sea urchins handpicked for this science mission.

It is the 63rd space shuttle flight in 13 years and the 17th for Columbia, NASA's oldest shuttle. Columbia holds four Japanese Medaka fish, six goldfish, 126 jellyfish; four newts, 144 newt eggs, 340 Medaka eggs, 180 toad eggs and six toad testes to fertilize those eggs, 11,200 baby sea urchins and 500 flies. An equal number of animals will undergo identical experiments on the ground as a control group.

Scientists are interested in how the animals develop and behave during the two-week research mission. Japanese biologists, for instance, want to see whether and how fish mate in weightlessness and what the offspring are like.

THE AMERICAS / COUNTING THE COSTS



GETTING THE HOLY TOUR — Hillary Rodham Clinton listening to Father Diomedè Folliero, left, and Brother Carlo Ferrigno during a visit Friday to the church of Santa Chiara in Naples, where her husband is attending the G-7 summit meeting.

POLITICAL NOTES

California Stubs Out Smokers

SACRAMENTO, California — Commemorating a long legislative battle, California's Assembly approved a strong statewide ban on smoking in restaurants and most other indoor workplaces.

After more than a year of lobbying, twisting and arguing, the smoking prohibition cleared the Assembly on a 48-22 vote, and now heads to Governor Pete Wilson's desk.

Exempted from the ban are bars, hotels, warehouses in which 20 or fewer employees work and businesses that employ five or fewer employees when all agree to allow smoking and where minors are not allowed. In addition, the bill also would permit smoking in theaters and movie sets where smoking is part of the production; tobacco shops; medical research facilities looking into the effects of smoking, and nursing homes.

The legislation retains a provision allowing cities and counties to impose tougher smoking restrictions.

When Assemblyman Terry Friedman, a Democrat, first introduced his bill last year, even his supporters doubted he would be successful, given the tobacco industry's long history of killing anti-tobacco bills in Sacramento.

The tobacco industry fought hard, sending teams of high-priced lobbyists from Sacramento and Washington to kill Mr. Friedman's measure. On several occasions, it seemed they had succeeded, only to have Mr. Friedman line up key votes by making compromises and amending the bill. (LAT)

White House Spoofs a TV Spot

WASHINGTON — The White House has launched a counterstrike against the "Harry and Louise" television commercials opposing President Bill Clinton's health-care plan and geared up arrangements for a bus caravan, led by the president and Hillary Rodham Clinton, to put pressure on Congress to pass some version of his proposal.

The Democratic National Committee introduced a 30-second TV spot, made by Harry Thomasson, a friend of the Clintons who is a Hollywood TV producer, that ridicules the Harry and Louise characters made famous in

a yearlong ad campaign sponsored by the Health Insurance Association of America.

In the White House-approved spoof, Harry has lost his job and is in a full body cast after an accident. Louise, whose arm is in a sling, elbows him as she quotes back his disparaging comments about Mr. Clinton's promise of a government guarantee of health insurance for everyone — merely rolling him out of bed and onto the floor.

"You said you'd never lose your job so we'd always be covered," Louise says. "You said, 'What would we do when the government runs out of money?' Well, who's out of money now, Harry?"

The ad concludes with an announcer saying: "Tell Congress you want what they already have — the security of affordable, universal health care." (WP)

A.N.Y. Death Penalty Vote?

ALBANY, New York — In an election year, when his staunch opposition to the death penalty has become a major issue, Governor Mario M. Cuomo has proposed that voters be allowed to decide the maximum sentence for murder.

The proposal comes a few days after the state legislature adjourned without passing most of Mr. Cuomo's crime agenda, including bills that would have required life sentences without parole for three-time violent offenders.

Mr. Cuomo, a Democrat seeking his fourth term, said he would ask the legislature to pass a constitutional amendment that would set the maximum penalty for murder. The lawmakers may return next month to deal with unfinished business, including a constitutional amendment to legalize casino gambling.

"How come casino gambling is more important than this issue?" Mr. Cuomo said in an interview. "Don't you see the hypocrisy of it? They say this will make you safe, but for 12 years we've denied you the right to vote for it."

Quote/Unquote

Barbara Russomando, a student at a public school in Naples, after meeting Hillary Rodham Clinton: "She was very motherly, not at all official looking." (AP)

Cameron Mitchell Dies at 75, Was Veteran Character Actor

Los Angeles Times Service

LOS ANGELES — Cameron Mitchell, 75, a veteran character actor perhaps best remembered for his role as Happy in both the stage and screen versions of "Death of a Salesman," died of lung cancer Wednesday in his home in suburban Los Angeles.

Mr. Mitchell assumed many personalities over nearly four decades in more than 90 films and the television series "High Chaparral." His films varied from Westerns to the serious "Les Misérables" in 1952 to the lighter "How to Marry a Millionaire" in 1953 to the role of Jigger in "Carousel" in 1956.

Other films included "What Next, Corporal Hargrove?" and "They Were Expendable," which marked his screen debut in 1945. "Homecoming,"

"Command Decision," "Okinawa," "Outcasts of Poker Flat," "Powder River," "Hell and High Water," "Garden of Evil," "Desiree," "Strange Lady in Town," "Love Me or Leave Me," "House of Bamboo," "The Tall Men," and "All Mine to Give."

Dirk van Zyl, 68, Survived 23 Years With New Heart

CAPE TOWN (AP) — Dirk van Zyl, 68, the world's longest surviving heart transplant patient, died Wednesday in a nursing home, 23 years after the operation.

Mr. van Zyl had recently suffered a stroke that left him paralyzed on his left side, and his death was not caused by heart failure, his son said.

Mr. van Zyl received a new heart in a 1971 operation performed by the pioneering sur-

MEMORIAL NOTICE

A memorial service will be held for John PHILLIPS on Wednesday, July 13, at 15:00 at the American Cathedral, 23 avenue George V, Paris R.

Care for Smokers: \$50 Billion Price Tag in '93

By Philip J. Hilts
New York Times Service

WASHINGTON — The cost of smoking-related health problems in the United States was at \$50 billion in 1993, twice as much as estimated for previous years, according to a new federal survey.

The Centers for Disease Control and Prevention, an Atlanta-based agency of the Department of Health and Human Services, released the data, saying the estimate was based on a survey of 35,000 people, the most extensive to date.

It also is the only survey that has counted only actual medical bills, making it the most accurate estimate ever done, said Dr. Thomas Novotny, a leader of the study.

The study made these findings:

• Smoking accounts for at least 7 percent of all health care costs in the United States.

• The federal government and state governments pay for more than 43 percent of all smoking-attributed medical expenditures and more than 60 percent for those over the age of 65.

• Most of the costs from smoking are for hospitalization, 54 percent; doctors' bills, 31 percent, and nursing home expenses, 10 percent.

The study was conducted by the disease control agency and researchers from the University of California at Berkeley and the University of California at San Francisco, using information gathered by the federal government's National Medical Expenditures Survey from interviews with 35,000 people in 1987 and 1988. The figures were then adjusted for inflation to reflect the value of the dollar in 1993.

In the survey, each person was interviewed four times in a one-year period, and described their health problems and expenditures. The expenditures were then checked against medical records.

To estimate how much of the expenditures could be attributed directly to smoking, the researchers put respondents into four categories: those who never smoked, those who smoked for less than 15 years, those who smoked for more than 15 years, and those currently smoking.

Then they added up the chief medical expenses of those with the most smoking exposure who had one of five diseases: heart disease, emphysema, lung cancer, arteriosclerosis and stroke.

The share of their medical expenses attributed to smoking was determined by first subtracting for other risk factors. For example, if a person was a smoker and also obese, the percentage of the spending attributed to smoking was less than it would be if the person was not obese.

Dr. Novotny said the figures that resulted were "very minimum estimates" and were likely to be lower than the actual costs.

He said that some medical problems attributed to smoking were not counted, like burns from fires caused by cigarettes and low birth weight or other infant health problems caused by a pregnant woman's smoking.

Dr. Novotny said the total economic burden of smoking is at least twice their \$50 billion estimate. Other costs that should be included to reach a total estimate, he said, would be \$6 billion more in estimated costs associated with sick days, and \$40 billion in costs associated with premature death because of smoking.

The agency's figures are likely to be important to states that have passed laws permitting them to sue tobacco companies to recover money the states have spent for health costs linked to smoking.

Dr. Novotny said that state-by-state estimates of the costs of smoking would be available within a few weeks.

Reverse Flight? Heron Pair Picks Manhattan to Nest

By James C. McKinley Jr.
New York Times Service

NEW YORK — Charles Francis Kennedy was the first one to spot the two herons coming and going on their elegant bowed wings from a pin oak near the lake in Central Park. He crept up through the trash-strewn underbrush to get a closer look through his binoculars. He couldn't believe his luck. A nest.

The word traveled fast through bird-watching circles, and soon everyone who cared about such things was trooping quietly to the spot to spy on the loving pair of green herons and their brood in a home of twigs.

Bird watchers had never seen a pair of green herons nesting in the park in the 100 years they have kept records, although the birds have sometimes been seen passing through on a migratory trail in the spring and fall.

"This is a rare and wonderful thing," said Elizabeth Barlow Rogers, the administrator of Central Park. "There are mysteries in the park and the mysteries are really wonderful."

It is not a place one would expect to find herons nesting, ornithologists say. Although the green heron is a relatively common wading bird that ranges throughout North America and has been found in

secluded spots near the city, it prefers quiet woodlands near ponds, inlets, swamps or wetlands, far from human intruders and noise.

Yet there they are, two feathered urban pioneers who have forsaken the sheltered backwaters where their shy brethren usually roost. Paper cups and trash and used condoms litter the lake shore near the nest. Jets roar overhead and the rumble of distant traffic never ceases.

Closer by, a constant stream of pedestrians, joggers and bikers passes on a roadway just a few yards from the spot where the heron pair decided to settle down and raise a family.

In the late 1970s, a longshoreman spotted a lonely pair of herons nesting on an island in the Arthur Kill, the narrow body of water that separates Staten Island from New Jersey. Since then, wading birds have made a steady comeback on the city's islands and coastal waterways as water pollution has eased, bird watchers said.

Last year, the New York City Audubon Society counted 2,065 nesting pairs of herons and egrets on five islands in the Arthur Kill and the East River, up from 1,400 pairs in 1988. But only four of the pairs counted last year were green herons, and never have any herons been known to breed in the heart of the metropolis.

"If you set some land aside and manage it properly, there is a spectacular array of wildlife that can survive right here in the city, and these green herons are symbolic of that," said David Burg, president of the local Audubon Society.

The herons are lanky 14-inch-long (36-centimeter-long) birds with yellow feet, chestnut necks, white throats and gun-metal gray bodies, and — when alarmed — a shaggy crest. They have a teal patch on their backs that gives them their name. They feed on minnows and other fish.

The nest is full of five mouths to feed, a writhing mass of gawky chicks, silently gaping for food and exercising their immature and semiplumaged wings in preparation for flight.

Mr. Kennedy first spotted the nest on May 28, and the first young heron hatched soon after. By next week, the young should be leaving the nest, bird watchers said.

No humans have tampered with the nest, but this being New York City, it's a tough neighborhood anyway.

A few weeks ago, a black-crowned night heron tried to eat the young green herons, said Sarah Elliot, a longtime chronicler of avian antics in the park. The parents beat back the interloper in a daylong skirmish that left bird watchers jittery.

Blood at Scene Is Strongest Link Yet to Simpson

The Associated Press

LOS ANGELES — Blood found near the bodies of O.J. Simpson's former wife and a friend of hers matched Mr. Simpson's genetic characteristics, a police investigator testified Friday. He said fewer than one in 200 people has such a combination of markers.

Later, an emotional Mr. Simpson wiped his eyes, sighed deeply and looked away as he heard gruesome testimony about a fatal slash across Nicole Brown Simpson's neck so deep that it reached her spine.

Dr. Irwin L. Golden, a medical examiner who performed the autopsy, described a "gaping wound" that severed both arteries in her neck, causing extensive blood loss.

"This is a fatal wound," Dr. Golden said.

He said Mrs. Simpson also had four stab wounds on the right side of her neck, a bruise on the right side of her scalp, three cuts on the back of her head, as well as cuts and abrasions on her hands. The hand wounds appeared to have been inflicted as she tried to ward off the attacker or grab the weapon. Dr. Golden testified.

Ronald Goldman, a friend of hers, died from one or the combination of two wounds on the left side of his neck, one of which severed a jugular vein, Dr. Golden said.

He said a folding knife with a 6-inch (15-centimeter) blade shown to him by homicide detectives was compatible with some of the wounds on both victims.

A deputy district attorney, William Hodgen, asked about the knife without specifying if it was the stiletto model witnessed said that Mr. Simpson bought at a cutlery store in May.

Mr. Simpson grew increasingly grim as the medical examiner testified. He became agitated when Dr. Golden described seeing Mrs. Simpson

source of the blood drop that was found at the trail at 875 South Bundy?" asked the Deputy District Attorney Marcia Clark.

"Yes, he can be included in a group of possible," Mr. Matheson testified at Mr. Simpson's preliminary hearing. Mr. Simpson has pleaded not guilty to the June 12 murders.

A defense attorney, Gerald Uelman, objected to allowing the 0.43 percent figure, saying it was improperly calculated. The judge overruled the objection.

Under cross-examination, Mr. Matheson acknowledged that 40,000 to 80,000 people in the Los Angeles area had the same genetic markers.

Mr. Uelman also succeeded

in pointing out that the test results only exclude sources of blood rather than precisely identifying the source.

"There's nothing here that would individualize a stain to one particular person," Mr. Matheson said.

"So any attempt to analyze this to fingerprints or precise identification of a person would be inaccurate. Is that correct?" Mr. Uelman asked.

"That's correct," Mr. Matheson replied.

Mr. Matheson's testimony was based on standard blood typing and two enzyme tests but not on more sophisticated DNA tests.

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International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

America and Europe

Bill Clinton is on a major mission in Europe whose purpose is nothing less than to advance the structure of the future Europe. In the first flurry of excitement after the Berlin Wall came down, it was tempting to think that a single cheerful new world might emerge more or less by itself. By now it is clear that the old demons have survived and new complexities have arisen. It falls to the United States to deal with Europe as it is.

Mr. Clinton began in Latvia, a country newly free deeply uneasy about Russian power, anxious to get the last Russian troops off its soil. There he stepped forward as a mediator, urging the Russians to withdraw but at the same time pressing the Latvians to respect the civil rights of the large Russian minority living among them.

The next stop was Poland, desperate to join the two great Western institutions, NATO and the European Union, that made the other half of the continent secure and prosperous during the Cold War. Poland's president, Lech Walesa, eloquently urged President Clinton not to relegate the former Soviet satellites to "a gray area in a security void, a nowhere land where anything can happen."

From Warsaw Mr. Clinton flew to Naples for the annual meeting of the heads of the seven big industrial democracies, a meeting supposedly on economic policy. But the serious discussion this year is likely to have much more to do with the political framework for Europe. Mr. Clinton's mission goes to the reshaping of the great

multilateral institutions expressing the interests of both Americans and Europeans.

The seven democracies are now moving to bring Russia more deeply into their consultations and President Boris Yeltsin will be present. Are the Eastern countries served best by extending NATO and the European Union to include them? One test case, certain to be much discussed at Naples, is Ukraine. Its economy is in chaos, its government resists essential reforms, and its decrepit nuclear reactors at Chernobyl are emerging as the greatest symbol of the risks in letting its downward slide continue.

From Naples the president goes to Germany, where he will speak at the Brandenburg Gate, until four years ago the emblem of Europe's division, now the most dramatic emblem of its new unity. Regrettably, Mr. Clinton has yet to produce a NATO-expansion timetable and, no less important, an appreciation of the enduring geopolitical realities to match the urgency that Central Europe feels about its future.

Just as in the Baltics Mr. Clinton conveyed the message that freedom brings burdens as well as rewards, so in Poland he received a like message from Mr. Walesa. The Polish president reminded him that America is "still indispensable" to taking Europe beyond the restoration of sovereignty and democracy to "a grand vision of a unified continent." This is the core requirement of American policy.

—THE WASHINGTON POST.

Latvia and Its Russians

Latvians cheered President Bill Clinton in Riga on Wednesday when he pledged partnership with the Baltic republics to keep them forever free. But there was stony silence when he appealed to them not to "deny to others the justice and equality you fought so hard for and earned for yourselves, for freedom without tolerance is freedom unfilled." The others he referred to are ethnic Russians, left behind by a receding empire, who are the objects of Latvian intolerance. Latvia, understandably resentful about its past, is right to want all Russian troops out. But it is wrong to avenge the past by discriminating against Russian residents.

In a land of just over 2 million people, Latvia has 700,000 Russian-speaking residents. Some are military retirees who have settled there. Others are Latvian-born descendants of workers sent to Russia by the country decades ago. Under proposed legislation, some 300,000 of them will have to apply for citizenship, but quotas will allow just a trickle to be naturalized. As resident aliens they face discrimination in jobs, education and housing.

—THE NEW YORK TIMES.

Search, Seizure and O. J.

The preliminary hearing in the O. J. Simpson case has provided a mini-seminar on the Fourth Amendment. The constitutional protection against unreasonable search and seizure is one of the most important rights enjoyed by Americans, and at times one of the most resented. Reasonable people who would be appalled if the police burst into their homes and started opening drawers and searching wastebaskets are often less supportive of the amendment when it provides the same protection to people accused of crime. Some followers of the Simpson case were undoubtedly impatient with days of testimony and hours of debate among criminal law experts on the admissibility of evidence taken from the home of the accused. It is powerful evidence, and if Judge Kathleen Kennedy-Powell had not decided as she did on Thursday to admit it, the public's confusion and resentment might have escalated.

The judge was right to take her time in ruling on the defense motion to suppress the evidence, for the events leading to the contested search are complicated. In retrospect, the police probably did have time to obtain a warrant, which would have averted this controversy. But they did not know that at the time, and made a reasonable assumption that bloodstains on Mr. Simpson's car and on the pavement outside his home meant trouble. They testified that they feared he might also have been wounded or killed, and that it was imperative that they go inside to find out without waiting for a warrant. Exigent circumstances (emergencies) are one of the exceptions to the general principle that warrantless searches taint the evidence obtained, and the judge ruled that the exception applied in this case. Her decision is not final, of course, since the same points can be raised later when the case goes to trial. But for purposes of deciding whether a trial is justified, the challenged evidence will be considered.

What if the decision had gone the other

way and important evidence was kept out because of a defect in the search? That sort of thing happens, and occasionally people go free who might have been convicted if evidence obtained during a tainted search had been admitted. That outcome is always difficult to accept, but on balance the prohibitions in the law serve the public well. The inadmissibility of illegally obtained evidence provides a powerful deterrent to abusive, warrantless searches. No other sanction works as well, for it completely nullifies the reason for the search.

Very infrequently, the rule on admissibility runs a prosecutor's case against a person who is really guilty. But that is a price worth paying to protect the right of all citizens to be secure in their homes, free from the kind of government intrusions that prompted the founders to add the Fourth Amendment to the constitution.

—THE WASHINGTON POST.

Other Comment

Russia Still Underachieves

[One] way in which foreigners can help is by using every opportunity gently to probe Russia's leaders on what they mean when they claim that theirs is a "great country" — which they do both for internal reasons and when trying to muscle their way into Western clubs such as the Group of Seven. It is a dangerous and misleading claim.

Greatness should be measured not by the amount of fear a country inspires in its neighbors, but by the vigor of its civilization and the humanity and competence with which it conducts its affairs. That requires an economy that is both efficient and just.

Without that, Russia will always look like an underachiever — and, incidentally, a country not fit for full membership of the Group of Seven.

—The Economist (London).

Really, the Only Bosnia Plan on the Table

By William Pfaff

PARIS — The "peace ultimatum" to the Bosnian combatants, announced on Tuesday in Geneva, has already provoked criticisms that it abandons the moral principle that aggression and ethnic cleansing should not be rewarded.

The elaborate plan for geographical and ethnic partition of Bosnia inside its existing state boundaries, issued by the United States, France, Britain, Germany and Russia, awards the self-proclaimed Serbian Republic of Bosnia a considerable part of the territory that it has seized by force and purged of Muslims and Croats through terror.

However, those who criticize President Bill Clinton and other Western leaders for agreeing to this plan are mostly those who also refuse to have the United States, or anyone else, conduct the military operations necessary to correct the plan's injustices. In the absence of an outside commitment to reverse ethnic cleansing, the criticisms are unwarranted.

Much is wrong with it. It quite possibly will prove stillborn. If it survives, the survival will be feeble. However, it is the only program the major powers have been able to agree on, and the only one they have committed themselves to enforce with peace-keepers and air power.

That promise may be doubtful in the

American case, despite the commitments given by the Clinton administration. While Congress takes a strong line on arming Bosnia, it takes a different line on putting American troops at possible risk.

There is already a disagreeable element of demagogic in congressional calls for unilateral U.S. renunciation of the arms embargo on Bosnia that ignore the vulnerable situation of the relief agencies and United Nations troops deployed there.

There will be no unambiguous "yes" to this plan from any side. The Serbs may reject it outright. The plan requires them to give up a third of the 70 percent of Bosnia's territory that they now control.

Even if Serbs, Croats and the Sarajevo government all accept the plan, they cannot be expected to respect it, except when to do so suits the interests of all. A Bosnian government official has said: "We'll sign and then ignore the agreement. That's what everyone has done in this war so far." He is perfectly correct, and that is what is likely to happen. But that still would mean muted war in place of all-out war.

The plan's demand that refugees and the "ethnically cleansed" be allowed to return

to their homes will certainly not be respected. This is one of the flagrant hypocrisies embedded in the plan. The Serbs have not gone to the trouble to drive non-Serbs out of regions claimed for Serbia only to weekly admit them back, at foreign behest. But what Muslim would want to go home, if the Serbs are in control? The Muslims nonetheless are not going to give up their claim to cities where they once were the majority.

This plan must be seen as a program for a pause in the war, not for peace. A pause suits the major powers because it will get the problem off the television and front pages, and appease public opinion. President Clinton is not the only head of government under public and legislative pressure to solve the war without inconvenience to the public or the necessity for politically compromising votes by legislators.

However, it is necessary to ask if all of the powers involved in drafting this plan are willing to apply the measures threatened in the case of Serbian rejection. If the arms embargo is lifted and NATO employs air power against Serbian violations of UN exclusion zones, the war will enlarge and the Serbian army could again become involved. The now familiar scenarios by which the war spills over into Serbia itself, and then beyond, will again be relevant.

Faced with this prospect, will the European governments really agree to lift the embargo? Would they really withdraw their UN-uncommitted forces to let the campaign proceed unimpeded? What would the Russian government do? It has been solidly cooperative until now, despite the reapproaches of Radovan Karadzic, the Bosnian Serb leader, that Russia has failed its duty to its "Slav and Christian Orthodox brothers."

However, this plan is the only game in town. That is the salient fact. Democratic Senator Joseph Biden has said this is not a plan that "this president or this nation will want to be remembered as having been any party to." What alternative does he offer? If there is to be even a pause in the war, this is how it will happen.

Otherwise, peace in the short term is out of the question, and peace in the long term will come only — as someone who was there said of the first world war — when one of the two last heroes on the two sides, grappling with knives, teeth and fingernails, has finished off the other.

International Herald Tribune
© Los Angeles Times Syndicate

A New Left In Reserve For Britain

By Anthony Lewis

ONDON — For a sometime observer of British politics to re-examine the scene is an eye-opening experience. Many old traditions have been turned upside down.

The Labor Party used to be the home of Little Englanders opposed to British membership in the European Community and generally suspicious of foreigners. Today a powerful group of Conservatives are Euroskeptics and sound the trumpet of xenophobia. Labor is committed to Europe.

Labor was socialist in the old sense: nationalization,的实力 to trade unions, class conflict. Today it extols market economics. "We are not a tax-and-spend party," Tony Blair, heir apparent to the party leadership, said in an interview. "Those days are over."

Mr. Blair, the heavy favorite in a leadership contest now going on, is a perfect symbol of the new-model Labor Party. He is young, 41, and looks younger. He went to private school and Oxford and speaks with the accent of the upper-middle class. His wife, Cherie, is a lawyer, as he used to be.

He made his name as the shadow home secretary by moving Labor to a tough position on crime, while also pledging to be tough on the social decay that breeds crime. When charged with straying from Labor's base in the working class, he said: "These are the very people who care about crime."

Education similarly: Mr. Blair has lately begun moving Labor to what could be called more conservative positions on state schools. He emphasizes the need for discipline, high teaching standards and parent involvement. But he has also called for the state to provide nursery schools for all.

These positions are reminiscent of what America's so-called New Democrats are trying to do by way of shedding the albatross political baggage of the 1960s. Bill Clinton, too, is for tough measures against crime and restraints on government spending.

The two most important features of Conservative rule in the last 15 years, Mr. Blair said in the interview, have been that taxes have risen as a proportion of national income and so has government spending. "We are a high-tax economy," he said, "because we are a low-success economy."

You can hear him campaigning when he says such things. (The next election must be held by June 1997.) But what would Labor's tax policy be? On that and similar specifics he is deliberately silent.

"I'm certainly not going to write out our tax plans or spending plans now," he said. The lesson of the election two years ago is too plain. John Smith, the Labor leader whose sudden death in May led to the present contest, unveiled a detailed tax proposal in 1992. The Conservatives ran against it and narrowly won.

A striking change in Labor policy, as Mr. Blair represents it, is his belief in a bill of rights for Britain — rights enforceable by judges, as in the United States. He would make the European Convention on Human Rights part of British domestic law.

Labor traditionally opposed a bill of rights on the ground that it would give too much power to unelected judges. "That is a risk," Mr. Blair said, "but you have to balance the risk. One of the features of a civilized society is the protection of minorities against the abuse of power by majorities."

If he becomes leader, that fact alone will do much to kill the old and losing image of the Labor Party as a tired relic of the past. Instead it will be a party that calls for renewal but is only the times, bit by bit, left of center.

Most British politicians are now trying to crowd into the center. The parties may not have starkly different ideologies to offer. Joe Rogaly, a Financial Times columnist, wrote the other day, "but Mr. Blair's has the advantage of freshness, something new, different where it counts, and safe."

Safe, certainly. The question is whether safety, youth and broad visions will be enough to keep him and his party ahead in the polls, as now, through an election.

The New York Times

A Goal for Palestinians: Keep Working Together

By Marwan Bishara

PARIS — Palestinian statehood has now become more likely than a return to the previous situation. This has been symbolized by the arrival of Yasser Arafat with hundreds of PLO members and staff, and by the thousands of PLO members already at work in Jenin and Gaza. The self-rule process started in Oslo and Cairo will go forward, whatever its outcome.

Some Palestinians consider the glass half full. They see no alternative to the "land for peace" formula on which Israel agreed to negotiate. They hope that the self-rule effort can yield demonstrable success, given the population's enthusiastic eagerness and the precedent of efficient management of public and business affairs by Palestinians in Gulf countries.

Others see the glass two-thirds empty. They say Palestinians have signed over most of their land to the Israelis, at least until further notice. Palestinians may have won a chance of running their own lives, but only on a fraction of their land. And improvements in

living conditions in Gaza are expected to give an aura of acceptability to the arrangement.

Opponents of the peace process are not only in Hamas; they include secular and democratic political factions. They complain that the open-ended nature of the new peace formula will be conducive to manipulation, if not domination, by Israel. They hold little hope for tangible improvement in the daily lives of Palestinians. Improving the lot of people in the camps, job creation, the minimal requisites of a normal, safe existence — all this looks remote to them.

Both sides agree that the agreement is a fait accompli, and that Israel is reluctant to take steps needed to make a success of the self-rule experiment. If the test is failed, they fear, Israel would have few remaining qualms about taking draconian measures to annex parts of the West Bank and close off the border with the Gaza Strip (once the safety of Israeli settlers has been ensured).

Mr. Arafat needs to concentrate on forging a strong relationship between the Palestinian people and the new authority. He needs to cement his legitimacy in new ways, and to remember that a democratic process, guaranteeing free elections is the only guarantee of future stability based on political accountability.

If the authority fumbles and fails, Mr. Arafat will soon find

that he has lost on both the Palestinian and the Israeli fronts. He needs to inform and inspire, to tell the people clearly about the challenges and responsibilities ahead. The good news deserve emphasis, but so do the risks.

In Palestine, weapons are plentiful, not only among the police but also among the various factions, parties and "armed militias." The situation could become explosive. Any confrontation between police insisting on disarming these groups and the factions upholding a "right" to self-defense could lead to a bloodbath in the Gaza Strip.

If police cannot hold their fire and resolve their differences, or agree to disagree, a civil war is a real possibility. A Kurdish-style nightmare could be around the corner. Palestinians need to ensure that Gaza-Jenin is indeed a first step, not a last one.

The writer, a Paris-based commentator on Middle East affairs, contributed this comment to the International Herald Tribune.

Toward Mexican Democracy: Here Comes Mañana

By Stanley A. Weiss

London — I once bragged to a friend in Mexico that in the United States we would know the winner of a presidential election within an hour after the polls closed. That's nothing, he replied. "Here in Mexico, we know almost a year before."

The Institutional Revolutionary Party has ruled Mexico for 65 years with a singularly successful formula: the government controls the party and a powerful president controls the government. "The perfect dictatorship," as the Peruvian novelist Mario Vargas Llosa described it.

The PRI has won every presidential election. It controls Congress, the judiciary and most of the media. It co-opted labor, peasant farmers, bureaucrats and the army. It has provided stability and order since 1929.

And stability and order were what an exhausted and chaotic state looked for in the aftermath of a revolution and the civil wars that swept across Mexico between 1910 and 1929. A million lives were in a population of 12

million. The people welcomed the PRI, initially little more than a network of generals.

During the 1930s, the PRI distributed land, improved working conditions and expropriated the foreign oil companies. After World War II, high protectionist walls were built to keep out foreign competition. The state and party played the key role in industrial and agricultural development, and ultra-nationalism, patronage, protectionism and corruption became the way of life — and of doing business.

It was not until 1982 that the era of economic liberalism began — ironically, when Mexico defaulted on its foreign loans. The International Monetary Fund, the World Bank and the United States helped Mexico get back on its feet. Under the government's program of privatization, state-owned firms declined in number from 1,555 to 217. Foreign investment rose from \$10 billion in 1980 to more than \$70 billion in

1990. Ernesto Zedillo Ponce de Leon, picked to replace the assassinated Luis Donaldo Colosio as the PRI candidate, can no longer assume certain victory.

In addition to facing Cuauhtémoc Cárdenas — candidate of the leftist Party of Democratic Revolution, who most Mexicans believed was robbed of presidential victory in 1988 by the PRI — Mr. Zedillo will be running against Diego Fernández de Cevallos, son of a founding member of the center-right National Action Party. A trial lawyer and member of Congress, Mr. Fernández will be a formidable opponent, mocking Mr. Zedillo as "a good little boy with high grades who has not passed the test of democracy."

But I cannot accept their obstinate fixation with death, their posing as national representatives, their belief that an armed conflict is one of the ways toward change. Fortunately, there are many possibilities left to explore. Dialogue will be restored. — Carlos

Israel Slaps Curfew on Hebron After 2 Killings in West Bank

By Clyde Haberman

New York Times Service

KIRYAT ARBA, Israeli-Occupied West Bank — Israeli forces poured into this Jewish settlement outside Hebron on Friday, scuffling at times with residents enraged by the separate killings of a local teenager and of a soldier.

To forestall trouble, the army also imposed a curfew on the 100,000 Arabs in Hebron, emptying the streets of that volatile West Bank town except for military patrols and struts through the center by some of the 450 Jews living there.

The army presence at Kiryat Arba, a stronghold of some of the most militant Israelis in the West Bank, was unusually strong. It reflected official concern that protests and even possible counter-violence by settlers could inflame opposition to continuing peace talks with the Palestine Liberation Organization just when the government was assuring Israelis that everything was going well.

The killings also put an enormous dent in Prime Minister Yitzhak Rabin's boast several days ago that his deal with the PLO leader.

There was no condemnation or other public comment on the killings by Mr. Rabin or the PLO. But Israel's deputy defense minister, Mordechai Gur, called on the new Palestinian police force in Gaza and Jericho to crack down on radicals, warning that if they do not "impose quiet, we will feel free to act according to our needs."

Nowhere was Israeli anger greater than among the slain

PLO for Palestinian self-rule had led to a sharp reduction in anti-Israel violence.

Not only Mr. Rabin said that Palestinian attacks had disappeared or that they would not recur. But any illusions that some may have had that genuine peace had arrived with the start of self-rule in the Gaza Strip and Jericho were shattered on Thursday by the drive-by shooting of Saad Prigal, a 17-year-old Kiryat Arba girl, whose father and brother were wounded in the attack. The same day, the body of Private Arieh Frankenthal, 20, who had been repeatedly shot and stabbed, was found in an abandoned house in an Arab village just north of Jerusalem.

No one claimed responsibility for the attacks, but Israeli officials assumed that they were the work of Islamic militants who oppose negotiations with Israel and who had been relatively quiet, especially during the visit to Gaza and Jericho this week by Yasser Arafat, the PLO leader.

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2 Killed in British Jet Crash

Reuters

NICOSIA — A Royal Air Force Tornado F3 crashed in the sea off the Mediterranean island of Cyprus on Friday, killing its two crew members.

Priority for G-7: Rescue of Ukraine From Economic and Nuclear Perils

By William Drozdiak

Washington Post Service

NAPLES — Eight years after the world's worst nuclear accident, the leaders of the major industrial democracies are saying the time has come to shut down the Chernobyl nuclear plant and also to pull Ukraine from the brink of economic catastrophe.

As President Bill Clinton and six other leaders opened their annual Group of Seven eco-

nomic summit meeting here Friday, a need to produce a rescue package for Ukraine has emerged as an undisputed priority for the United States and European allies.

"This is one issue that is beyond debate," a senior U.S. administration official said. "Emergency aid for Ukraine is something that must happen."

U.S. and European governments agree that the G-7 members should fund a \$1.8 billion program to close down the Chernobyl plant while upgrading safety standards on three reactors still under construction.

Washington also wants to dangle \$5 billion in aid package if Ukraine carries out deep economic reforms.

It must still be resolved who would pay for such assistance. The European Union wants to share the burden equally with the United States and Japan. But the United States contends it already carries a heavy load in providing \$700 million a year to Ukraine, its fourth largest aid recipient. Japan feels it is too far removed to pay such a price to solve what it sees as a basically European problem.

France and Germany have insisted that any further delay in closing Chernobyl would be unconscionably dangerous.

"If another accident should happen, the rest of the world would have no excuse in not having acted in time to prevent what could turn out to be an even worse catastrophe than the first accident," said Anne Levergeon, an aide to President François Mitterrand of France.

The same enthusiasm is not always apparent among students, above all those studying mathematics, sciences and technical subjects.

"The course was a waste of time," said Laurent Delahaye, 18, who plans to study economics at university. "Still, perhaps it developed my critical faculties, who knows."

Mrs. Bourdin, whose students are unlikely to join the French elite, said she felt that even a couple of hours of philosophy lessons a week made a difference. "Even if they don't retain much, they have asked some questions and they know there are more questions to be asked," she said.

Karen Micmacher, 20, who will study law at university, said her only regret was that she had not begun philosophy sooner. "It has changed my whole way of thinking," she said. "I feel like it has been a voyage into history." Then, as if to stress she is now truly French, she added, "I have learned how to reason."

A U.S. official said Ukraine deserves support because of its great potential, despite an agonizing decline since the dissolution of the Soviet Union in December 1991. Economic production has fallen 40 percent in the last year.

"Ukraine will either be an important power or the sick man of Europe in the 21st century," the U.S. official said. "Either way, its fate will be critical for the future of Europe."

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Leaders are as critical as the one that faced them 50 years ago, but their response has been far more sketchy and tentative than it was then.

Five years after World War II, most of the political and economic institutions that carried the West through the Cold War were in place — the alliances that bound the United States to the defense of Japan and Western Europe, the Marshall Plan, the economic and monetary agreements that underpinned the expansion of free world trade and prosperity.

But five years after the Berlin Wall collapsed, there has been no comparable concentrated effort to come up with a grand design to remake the Communist economies, the ethnic strains of resurgent nationalism in Eastern Europe or the increasingly competitive pressures of the global economy.

Instead the leaders of the Group of Seven have improvised and tinkered at gathering like this one, which promises to be inconclusive as those before it.

Last year in Tokyo, they offered a \$46 billion package of aid and debt rescheduling help to stabilize Russia's inflation-ridden economy and encourage it to keep privatizing state enterprises, which still account for 60 percent of its gross national product. About \$30 billion has been committed so far, according to economic experts.

In January in Brussels, Mr. Clinton and the NATO allies agreed to offer a Partnership for Peace between the alliance and any formerly Communist country that wanted to cooperate, a

And of course, a growing number of women avoid the whole problem by retaining their maiden names when they marry.

Short Takes

A lifelong resident of North Providence, Rhode Island, was killed by a shotgun blast to the head and his long-time next-door neighbor was charged with murder. The apparent source of the dispute, neighbors said, was the 6-foot (2-meter) hedge separating their property. The body of Ronald Volpe, 39, was found face down in his hedge, pruning shears and a stepladder nearby. James Gallagher, 35, was arrested and held without bail. Neighbors said the two men began a quiet feud at least three years ago, when Mr. Gallagher pruned the hedge all the way down to the branches. Mr. Volpe's father had planted the hedge years before.

The beatification of the Reverend Joseph Damien De Veuster has been postponed until next year because a broken leg suffered by Pope John Paul II prevented him from attending the ceremony this year in Father Damien's native Belgium. Father Damien spent most of his life ministering to leprosy patients at Kalaupapa, Molokai, in the Hawaiian Islands, more than 100 years ago.

Richard Schmitt, a New York Times reader, spotted this message chalked on a driveway between two dwellings in the suburbs of Dobbs Ferry, New York: "Mommy, I hate you. Love, Ashley."

Confronted With Order, Naples Asks, Can It Last?

By Alan Cowell

New York Times Service

NAPLES — Neapolitans like to say their city is divided: The rich live up on the hill, the poor live down by the docks and the only strand that links them is the city's chaos. Now, though, there's a new and unfamiliar part, the G-7 part — a bubble of order and serenity where 5,000 police and miles of barricades have created a Naples without Neapolitans to insulate the summit from the city.

For months, armies of laborers have spruced, painted and primed the so-called red zone that stretches from the waterfront hotels to the 17th century Royal Palace, where the summit meeting of the Group of Seven leading industrialized democracies opened Friday night.

Cobbles have been laid and fountains revived. Buildings have been painted, flowers planted, roads smoothed, beaches cleaned, turf laid, all smooth and green and watered, restoring forgotten glories.

And, beholding the splendor that keeps them out of it, Neapolitans on Friday entwined two fairy-tales: Part of them was Dorothy, returning from Oz, to find home is pretty good after all; and part was Cinderella, wondering when midnight will come and the coach will turn back into a pumpkin.

After some shoving and name-calling, the army compromised by letting half of the demonstrators stay through the Jewish Sabbath.



Mr. Clinton taking time for pizza Friday. U.S. Ambassador Reginald Bartholomew, second from right, joined him.

Since last year, though, something different has been bubbling through the gloom.

A new police chief, Umberto Impronta, began dissolving corrupt local authorities. In elections last December, the city swung left and voted in Mr. Bassolino who promptly began a crusade to introduce a new notion into the way Neapolitans relate to their city. He threw open the galleries and churches for people to see, switched on the traffic lights that had fallen into disuse and sent the traffic cops back onto the streets.

Now, said Gualberto Ranieri, a former public relations executive at Fiat who moved here a few months back, "you must be careful of the old image."

"Naples is much better than its reputation," he said. For instance, he said, he had stopped at a red light and "eight out of 10 people behind me did not hoot their horns" — a modest omen, but an omen nonetheless.

The question is: will it last?

"Without the positive will of the Neapolitans, all the efforts will be useless," said the movie director Francesco Rosi. "The flowers in the flower beds will wither, the fountains will no longer tinkle, the streets will fill with holes again, the garbage will build up in the piazzas, and the traffic will paralyze the entire city."

Protesters Injure A Police Official

Reuters

NAPLES — A Naples police official was injured Friday during a clash with students demonstrating against the Group of Seven meeting.

The police said that a deputy police chief had been hit on the head by an iron bar thrown from a building site as 200 officers clashed with demonstrators outside Eastern University, where President François Mitterrand of France was receiving an honorary degree. Three people were arrested.

The deputy chief was taken to a hospital. Officials said his injuries were not serious.

In another incident, 10 activists were detained in the city's Vomero district while trying to put up posters criticizing the summit meeting.

FRANCE: Thinking a Certain Way

Continued from Page 1

the point that a conclusion becomes irrelevant.

Indeed, such is the fascination with philosophizing — more than philosophy — that each year newspapers publish the questions asked of students in their "bac-philo" exam and invite philosophers to write their own model answers. And even years later, it seems, everyone remembers the question they answered and the mark they received in philosophy.

This cerebral and even ethereal approach to life's dilemmas in turn affects the way French society as a whole works, including politics and diplomacy. And perhaps here lies the secret to why the French and "Anglo-Saxons" as they call Americans and Britons, have so much trouble understanding each other.

"The French always go from the general to the particular," said Jack Lang, a former culture and education minister. He recalled that his "bac-philo" essay was on "happiness" and that he got 18 out of 20 points. "The Anglo-Saxons start with a concrete fact and reason from that. They call a cat a cat. We like to blah-blah-blah."

For Mr. Ferry, the Anglo-Saxon tradition of analytical philosophy can be summarized by the phrase: We have a problem and must find a solution.

"In contrast, in France, through Voltaire and Diderot and Rousseau, ours is more of a political tradition," he said. "We have a problem and must find a solution. "The French and the Anglo-Saxons, he said, have different ways of thinking about the world. "The French are more inclined to think in terms of values and the Anglo-Saxons are more inclined to think in terms of facts."

Mr. Ferry, a former culture and education minister, said he had been asked to speak at the summit meeting of the Group of Seven leading industrialized democracies in Paris.

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ART

Saturday-Sunday,
July 9-10, 1994
Page 6

Room at the Top for the Truly Rare

International Herald Tribune
LONDON — As its substance gradually thins out, the art market is undergoing a sea change that will soon affect its structure.

For now, it is the price scale that is changing. At the top, awareness that little is left worth fighting over on a big scale exacerbates competition

SOUREN MELIKIAN

almost to hysteria. This week, within 24 hours, three extraordinary prices were paid, all of them world records, that would have seemed unthinkable even at the height of the artificially whipped-up market of the late 1980s.

The most spectacular by far is the £7,101,500 (\$11.86 million) paid at Christie's on Wednesday for an Assyrian gray stone slab carved in low relief under King Ashurnasirpal II (883-859 B.C.). It comes from the most famous site of ancient Assyria, the king's palace near present-day Nimrud on the southern edge of Iraqi Kurdistan. The palace was sanguined in the mid-19th century by Sir Henry Layard who used an army of peasants wielding picks and shovels to cart away as many of the huge reliefs and three-dimensional statues as he could remove.

In the process, Layard lost quite a few, which sank to the bottom of the Tigris. Those that arrived in Britain were handed over to Sir John Guest, who had put up the money for the art-hunting expedition. They were set up in a folly designed in 1851 by the architect Charles Barry on the grounds of Guest's house, Canford Manor. Layard married Guest's daughter and died surrounded by an aura of glory. In 1919, Guest's grandson, Lord Wimborne, sold off most of the sculptures.

Some, acquired by John D. Rockefeller, grace the Assyrian room in the Metropolitan Museum; others are in the British Museum. A few strayed in various directions and a handful stayed on in "Nineveh Court," which was turned into a candy shop for the children when Canford Manor became Canford School in 1923.

When the governors of the school decided to sell off seven remaining reliefs at Sotheby's, on Nov. 16, 1959, there was great interest among the small number of connoisseurs involved in those days, but no wind of madness. John Hewett, a dealer, got one of the finest reliefs for £4,000.



Assyrian relief from the palace of Ashurnasirpal II went for a record £7.7 million.

Twenty years later, things had changed. Museums had mushroomed, there were now more collectors, and goods were scarcer. A winged deity 119 by 133 centimeters (47 by 52 inches), offered at Sotheby's on Dec. 4, 1979, stunned the world at £264,000, while standing eagle-headed deity went for £95,000.

The £264,000 relief is most closely comparable, commercially, to the £7,100 relief sold at Christie's, which measures 183 by 117 centimeters. It is smaller, but unlike the relief that brought the record on Wednesday, of which the lower section is missing, it can be seen as a complete figure. Even conceding that Wednesday's fragment may be more desirable for its sense of movement, the difference in price is vast.

C LOSER in time to us by 2,000 years, another object of even greater rarity than the Assyrian relief provides a measure of the current sense of urgency when an opportunity to buy something extraordinary arises. The carved narwhal horn of the 12th century, which was sold at Christie's on Tuesday for £441,500, is a deeply mysterious object. It must have been seen as such when it was carved with its beautiful Romanesque motifs almost all the way up its 114 centimeters.

In the Middle Ages, the horn of this small arctic whale was avidly sought after, from Constantinople and the Arab world to Scandinavia. In Europe, it was thought of as the horn of the unicorn, which in turn was considered a symbol of Christ. Horns were kept in church treasures, mostly undecorated. The Christie's horn, and a closely related piece in the Victoria & Albert Museum are the only known horns to display such intricate, highly sophisticated decoration.

The added attractions of the Christie's horn are that it is in better condition — it could be characterized as pristine for an object of that age — and that it was virtually unknown until it was reproduced in Christie's sale catalogue. It was bought for £12 by the vendor's father in 1957 as part of a bundle of walking sticks during the sale of a painting considered to be by Albrecht Dürer.

That is a strange picture. In a landscape of Netherlandish appearance, exotic animals are shown about — a camel stands rather improbably at the entrance of a North European forest; an elephant is seen trotting on a hillside in the distance, and so on. Two leopard cubs seem to have been dropped out of nowhere right in the foreground. These closely resemble two cubs in a painting done in 1639 by Cuyper's father, Jacob Gericrit Cuyper, who was also his master. The catalogue concludes that the leopards, although not the other animals nor the landscape, are the father's work.

This makes it a hybrid. The picture is very well painted and curious, hardly an unforgettable masterpiece. Furious competition between a syndicate of four dealers — Johnny Van Haeften of London, Konrad Bernheimer of Munich, Otto Naumann of New York, and Tim Bathurst of Artemis, London — outbidding Richard Greene of London, resulted in the current record for any painting whether partly or entirely by Albrecht Cuyper.

The same feverish atmosphere can just as easily lead to overestimation and overkill. The combination of the two

is its secondary effect on high-powered collectors.

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Joan Mitchell's "Tilleul" (1978) in Nantes exhibition.

Revelations of Color in Joan Mitchell's Paintings

By Michael Gibson
International Herald Tribune

PARIS — Joan Mitchell died in Paris more than a year and a half ago. She had been living in Vétheuil since 1967, in a house splendidly situated on a cliff overlooking a bend in the Seine (the gardener's house below had once been used by Monet).

Like many true artists, she was a contradictory and solitary figure and her large, vigorous paintings are both an expression and a trace of her dialogue or running argument with existence. An exhibition of Mitchell's late work at the Musée du Jeu de Paume in Paris (through Sept. 11) and another of earlier work at the Musée des Beaux-Arts in Nantes (through Sept. 26) reveal the power and range of which she was capable and remind one that she was among the truly outstanding painters of her generation.

Mitchell (1925-1992) grew up in Chicago. Her mother was a poet; her father, a prominent dermatologist, was once blindfolded by the mob and taken out to minister to Al Capone's syphilis.

Her grandfather, an engineer, built a number of bridges in Chicago, and it was thanks to the money he left her,

which she called her "bridge money," that Mitchell was able to buy the house she lived in to the last.

She first came to France on a grant in 1947, arriving at Le Havre on a Liberty ship among the blackened hulls left over from the war. At 21, she was a pretty, energetic and outspoken young woman — the latter trait developing noticeably in later years. An admiring critic once described her as "disconcertingly forthright."

Returning to America two years later, she settled in New York, where she underwent analysis, met such artists as Franz Kline and Willem de Kooning and, in her own words, "found her life." These artists, and the New York scene, provided her with the criteria that were to shape her life work.

Six years later, she nonetheless returned to France where she met the French-Canadian painter Jean-Paul Riopelle, another powerful artist and a larger-than-life figure with whom she lived until 1979. Riopelle moved back to Canada, where he now lives and works in the wilds, having grown the tremendous white thatch of hair and beard of a prehistoric Santa Claus.

Mitchell stayed on in Vétheuil with the Malinois dogs that were her dear

companions. She was frequently in Paris, but she was too independent and contrary really to enjoy the social side of the art scene.

The rest is painting. Most of the time the works are gloriously satisfying. Sometimes, although

Mitchell was allergic to labels and generally objected to being defined in terms of schools and trends.

rarely, they fail to jell — organizing color on canvas in such a scattered and allusive manner is, after all, a risky business.

What the spectator sees is above all a conjunction of luminous colors, which some are tempted to view as "abstract," but which others, following occasional hints from the artist herself, sense as transposed evocations of nature.

Mitchell was allergic to labels and generally objected to being defined in terms of schools and trends.

Some critics described her as an Abstract Impressionist (a term she deeply hated), seizing upon the fact that she was living on Monet's turf.

Yet, in a sense, there is something to be said in favor of the term — provided one avoids any actual assimilation with the ideas of Impressionism. After all, as Mitchell pointed out, Monet went to render nature with a new sort of visual accuracy.

Mitchell certainly did not attempt anything like that. But her colors (green, yellow, blue, or red), set together in broad, gloriously erratic brushstrokes, speak out in harmony like so many rich instrumental tones, and seem to have been borrowed from the same natural setting that inspired the Impressionists. The big diptychs appear to confront one with the close-up, verdant intimacy of grass, leaf and varicolored petal, vibrating in the warming light of the sun.

All art thrives on ambiguity, and Mitchell was quite right to reject any obvious classification. Even the evocation of nature I have just suggested would fail to be convincing if it were merely that and no more.

But the formal ambiguity of her painterly undertaking keeps one's perception oscillating between this

sort of "naturalistic" interpretation, a more formal one (various oil colors arranged on a painted surface), and an understanding of her art as a sort of calligraphic or seismographic expression of the artist's own psyche or sensibility.

This triangular reference between nature, surface and soul keeps the viewer's perception oscillating restlessly from one to the other without allowing it to settle definitely on any one of them.

Mitchell used the rich seduction of color to awaken a sense of nostalgia that appears to touch upon the perspectives of life and death.

The last time we met she mentioned sitting out on the lawn in front of the studio one day enjoying the sun with her dogs.

The three of them were communing in a deep, wordless well-being when Mitchell noticed that a snake had coiled itself over her foot. She was not at all alarmed but regarded the presence of the snake as a sign of sorts.

This moment of truce in the height of summer may stand as an appropriate metaphor of a successful painting in which life and death appear to co-exist in the brief ecstasy of the moment.

Life in a Dollhouse: A Collector's Dream

By Rita Reif
New York Times Service

NEW YORK — A chair as small as a thimble, a highboy a mere yard high or a Chihuahua-size bed may look silly individually, but a crowd of these lilliputian delights makes it clear why some collectors pursue them so obsessively.

Tiny trifles may trigger a rocket back to childhood for unsuspecting adults. And, once seduced into buying a mini-chest, a mini-chair or a mini-desk, people tend to treat these adult toys like sculpture, displaying them on shelves or as end tables. No one ever admits it, but most people yearn at one time or another to live in a dollhouse.

Was this the secret reason that Philip Parker, a London dealer who died in 1983, collected so many miniatures? The Parker collection of 30 period pieces became the largest recent popularity test of such things when it was auctioned at Sotheby's in New York.

Not since 1980 had so many small-scale period chairs, chests and tables been auctioned at one time. While of medium quality — only 21 were sold, 10 at prices below Sotheby's expectations — the Parker holdings included some charmers. In addition to an unusual assortment of tilt-top, gateleg, drop-leaf and tavern tables, there were chests of drawers, desks, a four-poster bed, a corner cabinet and a stepladder, along with chairs in the Jacobean, Regency, Windsor and Chippendale styles.

Although connoisseurs probably prefer to concentrate on miniatures of masterpieces, anywhere from one-tenth to one-half the size of the originals, other collectors, not for the mobility, with offbeat proportions. The quirkiest miniatures include tables from six inches to a foot high with fat legs and feet as thick as hockey pucks; chairs with soaring backs, overly wide seats and elaborately scrolled arms, and chests so top-heavy with pediments and finials that the legs appear to be buckling.

BOOKS

THE CROSSING: The Border Trilogy, Volume II
By Cormac McCarthy. 426 pages. \$23. Alfred A. Knopf.

Reviewed by
Michiko Kakutani

THOUGH it's billed as Volume II of "The Border Trilogy," Cormac McCarthy's latest novel, "The Crossing," is less a sequel to his award-winning book "All the Pretty Horses" (1992) than a loose variation on its themes of loss, exile, violence and fate.

Once again, McCarthy gives us the story of two resourceful boys who leave their home in the States and make the dangerous crossing into Mexico. And once again, their crossing becomes a kind of metaphor for the emotional traversing of borders between civilization and nature, order and chaos.

In his earlier books, McCarthy's debt to Faulkner — in terms of both language and violent subject matter — has been ferociously clear.

In "The Crossing," that debt has not only been pushed to the point of parody, but it has also been ornamented with gratuitous borrowings from Cervantes, Hemingway, Gabriel García Márquez, Larry McMurtry and John Ford westerns. Although the novel achieves isolated moments of emotional grandeur, the overall result is not a mythic postmodernist masterpiece, but a hodge-podge of a book that is derivative, sentimental and pretentious all at once.

The first portion of the "The Crossing" reads like a sophomore retelling of the Faulkner classic "The Bear." This time, the teenage boy, who is to embark on a rite of passage, is named Billy Parham and the symbol of the wilderness is a she-wolf, instead of a bear.

Sent by his father to trap a wolf that has been killing cattle on his family's New Mexico ranch, Billy catches the animal, then impulsively decides to re-

turn it to its home in the Mexican hills. He muzzles the wolf, puts a collar and leash around its neck, and sets off for the border.

When the wolf meets an unfortunate and violent end, Billy closes his eyes and imagines her in heaven, imagines "deer and hare and dove and groundhogs all richly empannelled on the air for her delight, all nations of the God of which she was one among and not separate from."

Though this is touching, it ultimately diminishes and sentimentalizes Faulkner's fierce, uncompromising vision of nature.

Having buried the wolf, Billy makes the long trip home, only to discover that horse thieves have killed his mother and father. Once again, Billy saddles up his horse and, accompanied by his younger brother Boyd, he sets off again to retrieve his family's stolen horses.

A series of picturesque adventures ensue in which Billy and Boyd meet up with a succession of gypsies, bandit ranchers and peasants. Some of these strangers are kind, and some of them are cruel, threatening to kill, maim or hurt the boys. Their mission will culminate in a long, perilous journey, reminiscent of Captain Call's final pilgrimage at the end of Larry McMurtry's "Lonesome Dove."

However, different their circumstances, almost all these people speak in the same portentous, prophetic terms. McCarthy's own prose, particularly in the first half of the book, is similarly heavy, announcing its own significance and the significance of the author's intents.

Toward the end of "The Crossing," this mannered writing gradually gives way to less pretentious prose, as McCarthy begins to allow the drama of Billy's story to take over. This shift in style serves no discernible purpose, however, and it makes for a disjointed, inorganic book.

Michiko Kakutani is on the staff of The New York Times.

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Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

BUSINESS

International Herald Tribune, Saturday-Sunday, July 9-10, 1994

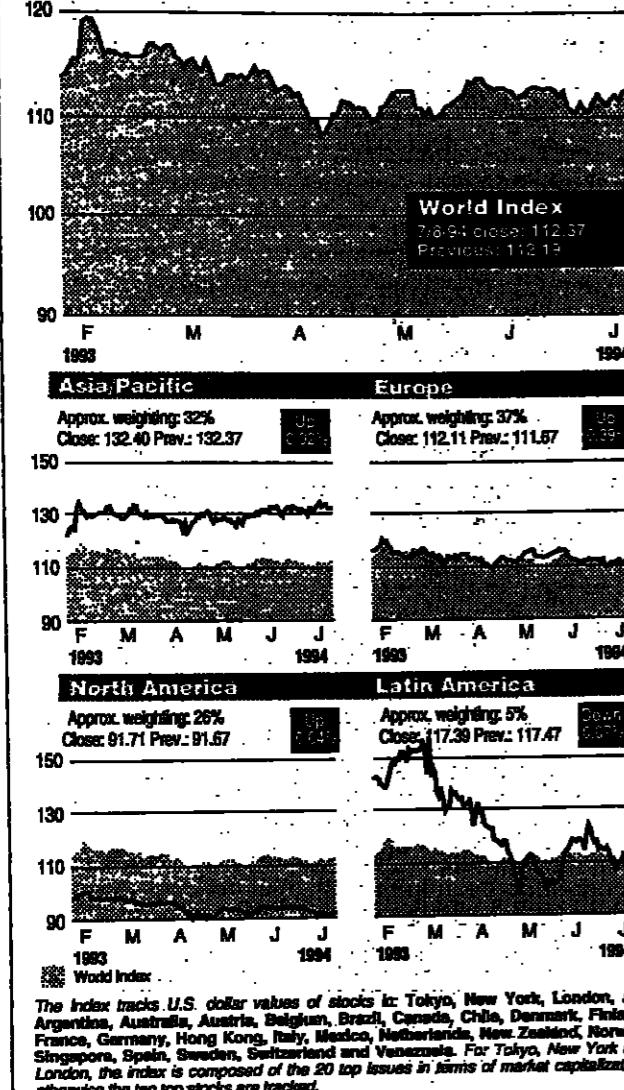
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THE TRIB INDEX: 112.37

International Herald Tribune World Stock Index ©, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The Index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Amsterdam, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the Index is composed of the 20 top issues in terms of market capitalization; otherwise the top 100 stocks are tracked.

Industrial Sectors		Pr. close	Prev. close	% change
Energy	107.37	109.11	-1.55	
Utilities	120.17	119.76	+0.34	
Finance	118.30	117.33	+0.84	
Services	116.34	116.50	-0.22	
Capital Goods	112.47	112.59	-0.11	
Raw Materials	124.29	123.71	+0.47	
Consumer Goods	98.92	98.75	+0.17	
Miscellaneous	122.30	121.63	+0.55	

For more information about the Index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92251 Neuilly Cedex, France.

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Fokker To Get A Bailout

Dutch and DASA Reach Aid Plan

Compiled by Our Staff From Dispatches

AMSTERDAM — The Dutch government and Deutsche Aerospace AG have agreed on a financial rescue package of about 1 billion guilders (\$365 million) for Fokker NV.

In a letter to the Parliament, Koos Andriessen, the economics minister, said Friday that a number of measures had been agreed with Deutsche Aerospace to strengthen Fokker's financial position.

"It is clear that the situation at Fokker requires a wide number of measures whereby all parties involved will have to make an effort," Mr. Andriessen said.

The aircraft maker, which posted a loss of 460 million guilders last year, has said it did not expect to turn a profit until at least 1996. Fokker now has about 9,000 workers, mostly in the Netherlands, after a global downturn in the aviation industry forced it to cut its work force by 20 percent this year.

The government owns about 16 percent of the company, while Deutsche Aerospace, a unit of Daimler-Benz AG, owns 51 percent.

The bailout consists of a combination of capital injections, sale-and-leaseback transactions for Fokker's aircraft technology and the setting up of a joint commercial lease company between Deutsche Aerospace and Fokker.

Fokker said the package would substantially improve the company's finances.

Mr. Andriessen said Deutsche Aerospace agreed to participate "considerably," but a company spokesman said from Munich that "details have yet to be worked out."

(Bloomberg, AFX)

REITs Go to Wall Street

Real Estate Finds Niche in the Market

By Laurence Zuckerman

New York Times Service

NEW YORK — The \$3 trillion commercial real estate industry in the United States is being transformed from a collection of secretive, family-dominated fiefs into public companies beholden to thousands of shareholders.

Many investors and property managers say the change heralds an era in which real estate companies will have to answer to Wall Street — opening the books, devising plans for growth and living up to them.

The companies also will have a lot more money to maintain their properties and acquire other buildings. Some analysts said the kind of overbuilding that characterized the property business in the 1980s would be less likely.

In the past 18 months, more than 75 real estate businesses have started to offer stock on U.S. exchanges.

In the same period, companies owning everything from apartment buildings and outlet malls to office towers have raised more than \$25 billion on Wall Street — as much as had been raised in the previous seven years.

Yet \$25 billion is only a small beginning, some experts say. They estimate that the value of publicly owned property companies, many of which take the form of real estate investment trusts, could rise by 10 times or more in the next decade.

"This could be the thousand-year flood for real estate in this country," said Richard Rainwater, a Texas financier who has staked both his reputation and a large hunk of his fortune on the success of a property company, Crescent Real Estate Equities, that began trading on the New York Stock Exchange in April.

Property owners and investment bankers profit handsomely from taking companies public, said H. Dale Hemmerding, president of Alico Property and Management, a commercial property company in New York City, even while the properties these companies own are still hardly profitable.

Behind the change is a desperate shortage of money.

After property prices plunged in the late 1980s, the savings and loan institutions, commercial banks, limited partnerships and insurance companies that financed the real estate boom of the previous decade were saddled with billions of dollars of bad loans. Many stopped lending to property owners.

What rescued many owners was the rediscovery of a moribund financial vehicle creat-

ed by Congress in 1960: the real estate investment trust. Intended to give small investors a chance to invest in real estate, the trusts, known as REITs, are exempt from corporate income taxes. In exchange, they must distribute 95 percent of their net income to shareholders as dividends.

When interest rates fell in the early 1990s, the dividends paid by the trusts — currently averaging about 7 percent — appealed to investors. The resurgence of trusts in late 1991 gave some of Wall Street's savviest investors the idea of buying nearly bankrupt properties from insurers, banks and the government.

Rather than liquidate their holdings at steep discounts, many debt-saddled real estate managers decided to offer shares to the public. In the last three years, real estate investment trusts have outperformed the Standard & Poor's index of 500 stocks.

China's Stock Sales Indicate Foreign Investors Are Wary

By Kevin Murphy

International Herald Tribune

HONG KONG — China's experiment in bringing its large state enterprises to the stock market stumbled Friday amid signs of growing wariness among foreign investors.

Shares in Luoyang Glass Co., the first company in a second batch of 22 Chinese enterprises cleared by Beijing to sell their stock abroad, closed 20 percent lower than their initial listing price of 3.65 Hong Kong dollars (47 cents) a share.

At the same time, reports emerged of a rift between Shanghai Haixing Shipping and Morgan Grenfell Asia Ltd., the merchant bank bringing the company's shares to market, over the price Shanghai Haixing could realistically expect from a dour market.

But in the debut, fund managers and analysts saw signs that the market for Chinese shares was entering a more mature stage with lower but more realistic expectations for future offerings as a result.

"If this issue had come six months ago, it would have been up 20 percent instead," said Nick Marks, an analyst with S.G. Warburg Securities, of Lucyang Glass. "What people are doing at last is looking closely at the merits of individual companies."

During last year's bull run in Asian equity markets, China's first group of companies to be listed in Hong Kong triggered a scramble among investors that strained Hong Kong's banking system and pushed share prices to premiums.

But after strong starts, most of China's H-shares, as the securities traded in Hong Kong are dubbed, have cooled, dampening international demand for premiums.

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foreigners only, B-shares, have also performed poorly as early euphoria about their creation has given way to doubts about individual companies' business plans and future profitability.

Difficulties on all fronts have confronted Chinese securities regulators with a host of unpalatable alternatives from accelerating the opening of its markets to foreign investment — with an inevitable loss of control over individual companies — to raising less cash from the state of state assets.

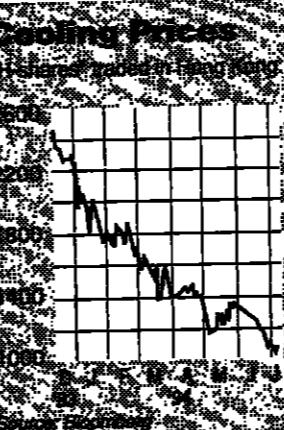
In an attempt to comply with investor demand, lead underwriter Morgan Grenfell has requested coastal shipper Shanghai Haixing to lower its opening share price to a level that has been rejected by China's State Administration of State Properties.

Chinese regulations do not permit any company to issue shares at a price that falls below its estimated net asset value, according to an administration spokesman quoted by Bloomberg Business News.

"We estimate the net asset value at about 1.4 yuan, and their offer fell below this," said the spokeswoman, whose organization supervises the sale of state-owned enterprises.

Morgan Grenfell, which had planned to price the issue on Thursday, said negotiations were continuing with the Chinese authorities.

At the same time, the Chinese traded shares designated for



shares in state-owned companies desperate to raise hard currency for expansion.

Worries about the financial strength of subsequent listings and Beijing's ability to engineer a soft landing for its overheated economy have made the second batch a tougher sell than in more bearish times for investors worldwide.

The Hong Kong's key Hang Seng Index has fallen 29 percent since the start of the year and is still sliding. Fund managers are now demanding lower asking prices for the shares of state-owned enterprises.

China's domestic stock market is in turmoil as waves of new share listings and a massive sale of Chinese government bonds offering much better investment returns have sent its A-shares spiraling downward.

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U.S. Jobs Data Depict Strength In Economy

By Lawrence Malkin

International Herald Tribune

NEW YORK — Signaling a robust U.S. economy, the government on Friday reported strong job growth in June with out the wage inflation.

The wage data, which raised expectations in the financial markets that the Federal Reserve Board would push U.S. interest rates up sooner rather than later, sent bond prices tumbling but failed to rouse the dollar out of its slump.

There is no explanation for these missing workers. But if

See JOBS, Page 10

Metals Giant Continues Loss On U.S. Unit

Bloomberg Business News

Metals Giant Continues Loss On U.S. Unit

FRANKFURT — Metallgesellschaft AG, still reeling from losses at its U.S. oil-trading unit, recorded a loss of 1.54 billion Deutsche marks (\$570 million) for the first half of its financial year.

The metals and mining company said it would have reported a profit for the six months ended March 30 but for the U.S. subsidiary, Metallgesellschaft Corp. Because of that unit's losses, Metallgesellschaft reached the brink of bankruptcy in late 1993.

For the full year, Metallgesellschaft forecast a loss of about 1.9 billion DM, unchanged from the previous year. That means that in the second half the company will record another loss of more than 300 million marks that cannot be blamed on U.S. operations.

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Blue-Chips Rise
As Fed Stands Still

Compiled by Our Staff From Dispatches

NEW YORK — Blue-chip stocks climbed for the fifth straight session Friday after the Federal Reserve failed to raise interest rates despite a stronger-than-expected June employment report.

The Dow Jones industrial average closed 20.72 points higher

U.S. Stocks

at 3,709.14. In the broader market, however, there were six losers for every five gainers.

Although the Fed did not raise the interest rates that it controls after the strong jobs report, concern over the rising general level of rates weighed on the broader market and on the bond market.

A spurt in the price of Alcoa after release of the company's second-quarter results, plus buying of other cyclical stocks, helped hoist the Dow Jones industrial average back above 3,700.

Bond traders, however, bailed out of the market imme-

dately after the employment figures were released.

Prices of all maturities of U.S. Treasury notes and bonds remained lower, with the 30-year issue off \$8.75 for each \$1,000 of face value, driving its yield up to 7.69 percent from 7.61 percent late Thursday.

Trading was moderate, with 233.6 million shares changing hands by the close of trading on the Big Board, compared with 25.5 million in the previous session.

The NYSE's composite index advanced 0.54 to 248.11. The Nasdaq index was up 0.44 to 706.97. At the American Stock Exchange, the Market Value Index was 0.80 higher at 425.45.

Nike shares touched a 52-week high of 62 1/2 after the world's largest athletic shoe company reported better-than-expected fourth-quarter earnings. The shares closed at 62 1/2, up 2 1/4, on volume of 674,200 shares, almost triple its three-month daily average.

(AP, Reuters)

JOBS: Data Show Strong Economy

Continued from Page 9
they show up later in the statistics as job-seekers, they will raise the unemployment rate and relieve the Fed's inflationary fears.

This aberration in both the job-creation and unemployment statistics are among the

Foreign Exchange

factors thought to be keeping the Fed temporarily on hold. There is a wide spectrum of opinion on Wall Street about when the central bank will actually tighten, ranging from next week, when strong retail sales figures for June are expected, to as late as September.

Markets already had begun driving up rates with Friday's report. Yields on 30-year Treasury bonds rose to 7.69 percent, the highest since Nov. 9, 1992.

Since the start of the year, the Fed has raised rates a total of 1.25 percentage points in increments of one-quarter of a percentage point to try to stay ahead of inflation.

None of this helped the dollar on Friday. It took another sharp dive when Mr. Clinton told the press in Naples that

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the Group of Seven will act wisely if it rides out the storm, said David Rolley, international economist at DRI/McGraw-Hill. "The higher our long bond rates go, the more attractive the dollar will become," he said.

Traders may be dollar bears today, but at some point people will see they can earn 8 percent on their dollars, and somebody will make a decision to go the other way. Maybe the catalyst will be a political change in Japan.

When the new year brought bad news in the form of increases by the Federal Reserve Board in U.S. short-term interest rates, investors dumped their bonds, particularly U.S. Treasurys. Caught in the slipstream was not just the dollar but foreign bonds and even equities.

Via Associated Press

July 8

The Dow

Daily closing of the Dow Jones industrial average

\$100

\$200

\$300

\$400

\$500

\$600

\$700

\$800

\$900

\$1,000

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Telekom Sale In Germany Wins Approval

Reuters

BONN — Germany's upper house agreed an extensive package of economic reforms on Friday, making insider trading a criminal offense, approving the privatization of the telephone monopoly and allowing private companies to run highways.

Chancellor Helmut Kohl's government, which faces elections in October, hailed the action as a success in its efforts to remove some of the rigidity from the country's economy.

Mannesman Posts 2d-Period Profit As Sales Recover

Compiled by Our Staff From Dispatches

DUSSELDORF — Mannesmann AG said Friday that rising sales helped it return to profit in the second quarter, but it failed to break even for the first half.

The company's shares fell after the figures were announced, finishing at 407 Deutsche marks (\$258), down from 412.20 Thursday. Traders said some investors were disappointed that Mannesmann didn't have a first-half profit, and analysts said forecasts for 1994 could be cut if continued dollar weakness hits exports as the company warned it might.

First-half sales were 10 percent higher than a year earlier, at 14.3 billion DM, while new orders rose 19 percent, to 16.8 billion DM. The company did not disclose profit figures.

In 1993, Mannesmann had a net loss of 513 million DM, reversing a profit in 1992 of 63 million DM.

The company's shareholders elected Werner Dieter, who stepped down as chairman Friday, to the supervisory board despite investigations against him on suspicion of fraud.

"Our result has improved considerably against the same period of the previous year, but because of the weak sales in the months of January and February, it remained slightly negative," Mr. Dieter said.

NYSE

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

	12 Month High	12 Month Low	Stock	Div	Yld	PE	Ttr	12 Month High	12 Month Low	Stock	Div	Yld	PE	Ttr	12 Month High	12 Month Low	Stock	Div	Yld	PE	Ttr
12 Month High	12.00	11.00	12.00	0.00	0.00	12.00	12.00	12.00	11.00	12.00	0.00	0.00	12.00	12.00	12.00	11.00	12.00	0.00	0.00	12.00	12.00
12 Month Low	11.00	10.00	11.00	0.00	0.00	11.00	11.00	11.00	10.00	11.00	0.00	0.00	11.00	11.00	11.00	10.00	11.00	0.00	0.00	11.00	11.00
Stock	12.00	11.00	12.00	0.00	0.00	12.00	12.00	12.00	11.00	12.00	0.00	0.00	12.00	12.00	12.00	11.00	12.00	0.00	0.00	12.00	12.00
Div	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Yld	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PE	12.00	11.00	12.00	0.00	0.00	12.00	12.00	12.00	11.00	12.00	0.00	0.00	12.00	12.00	12.00	11.00	12.00	0.00	0.00	12.00	12.00
Ttr	12.00	11.00	12.00	0.00	0.00	12.00	12.00	12.00	11.00	12.00	0.00	0.00	12.00	12.00	12.00	11.00	12.00	0.00	0.00	12.00	12.00
12 Month High	12.00	11.00	12.00	0.00	0.00	12.00	12.00	12.00	11.00	12.00	0.00	0.00	12.00	12.00	12.00	11.00	12.00	0.00	0.00	12.00	12.00
12 Month Low	11.00	10.00	11.00	0.00	0.00	11.00	11.00	11.00	10.00	11.00	0.00	0.00	11.00	11.00	11.00	10.00	11.00	0.00	0.00	11.00	11.00
Stock	12.00	11.00	12.00	0.00	0.00	12.00	12.00	12.00	11.00	12.00	0.00	0.00	12.00	12.00	12.00	11.00	12.00	0.00	0.00	12.00	12.00
Div	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Yld	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PE	12.00	11.00	12.00	0.00	0.00	12.00	12.00	12.00	11.00	12.00	0.00	0.00	12.00	12.00	12.00	11.00	12.00	0.00	0.00	12.00	12.00
Ttr	12.00	11.00	12.00	0.00	0.00	12.00	12.00	12.00	11.00	12.00	0.00	0.00	12.00	12.00	12.00	11.00	12.00	0.00	0.00	12.00	12.00

An Offer They'd Like to Refuse

Foreign Firms in Moscow Feel Pressure From Mafia

By Michael Specter

New York Times Service

MOSCOW — After years in which the hydra-headed Russian mafia has openly penetrated virtually every level of local business, foreign companies operating here — big and small, famous and unknown — have begun to feel increasing pressure from criminal organizations.

The companies' situation is nothing like it is for Russians, for whom threats, intimidation extortion and violence have become routine. But threats from Moscow gangs and more polished representatives from the mafia — as Russians call their criminal organizations — have increasingly turned their attention to American businesses in the last few months.

U.S. diplomats report a rise — to more than a dozen this year from two in all of last year — in the number of companies acknowledging visits from gangs that seek to protect them.

In perhaps the most alarming recent incident, gangsters paid a call on the Moscow office of the U.S. Chamber of Commerce, demanding the list of all companies that are members, their addresses and their phone numbers. Officials refused the request, according to three chamber members who, like almost everyone else interviewed on the subject, demanded anonymity.

"I still consider it safe for Westerners to work here, and I encourage them to do so all the time," said Richard A. Conn Jr., a lawyer with Latham & Watkins, which represents several international corporations doing business in Russia. "But the growth of the mob has been dramatic, and there just isn't a pass for American businesses from the mafia anymore."

Mr. Conn and most others said official corruption, an irrational tax system and a mistrust of profit still hurt American businesses in Russia far more than crime does.

Another American company is known to have been killed by the mob, although such killings occur almost weekly among Russian businessmen, especially bankers.

The days are over, however, when U.S. companies could afford to neglect what the Interior Ministry says are more than 5,000 gangs operating here, or when Americans could permit their Russian partners to silently and secretly handle issues such as crime and payoffs.

"We hired the bad guys in white hats to protect us from the bad guys in black

— are usually the first targets. Although they denied it, several of America's most famous corporations have also been approached, according to U.S. law enforcement officials.

"The ones who come to us are almost always small businessmen," said an American who insisted on being identified only as an embassy official. "Does that mean that McDonald's isn't bothered or that Coke has no problems? Not necessarily. But if they do, we don't know about it."

McDonald's Corp. says it has no problems with gangsters in Moscow.

"It would take a fairly aggressive and sophisticated group to bother McDonald's," said Sergei Bogdonov, a spokesman for the organized-crime division of the Federal Counterintelligence Service, previously the KGB.

Many of the criminal gangs started in the Soviet labor camps, to which some prisoners were sent for committing the sin of seeking profit. When suddenly communism was bad and profits were good, criminals were often the only Russians who knew what to do.

Many companies that contend they had no problem with crime should look more closely at their rent, Russian police officials say, because payoffs to mobsters may be hidden in the \$8,000 to \$10,000 a month that it often costs to rent a decent office.

"To me, acting surprised that people in this type of environment are seeking to take your money illegally is like showing surprise that the sun came up this morning," said John K. Bailey, managing director of Johnson & Johnson in Russia.

"This is a difficult working environment. It seems stupid to have to keep repeating it, but the greatest rewards are usually not far from the greatest risks."

The growth of the mob has been dramatic, and there just isn't a pass for American businesses from the mafia anymore.

Richard A. Conn Jr.,

U.S. lawyer

hats," said Bruce Macdonald, director general of BBDO Marketing in Moscow, in explaining the presence at his advertising agency of two Russians in camouflage outfits armed with pump shotguns.

It has been impossible to gauge the level of crime carried out against foreign companies, because Russian partners invariably take care of dealing with other Russians.

"In general, people don't want to know what they don't have to know," said Jeffrey M. Zeiger, whose Tren-Mos Bistro was the first American restaurant to open in Moscow. His Russian partner was gunned down in his garage last year, and even today Mr. Zeiger swears he never heard a word about payoffs or a hint of a problem before his partner died.

Hotels and restaurants — the visible

Investor's Europe

Frankfurt	LONDON	Paris
DAI	FTSE 100 Index	CAC 40
1200	1200	1200
1100	1100	1100
1000	1000	1000
900	900	900
800	800	800
700	700	700
600	600	600
500	500	500
400	400	400
300	300	300
200	200	200
100	100	100
0	0	0

Sources: Reuters, AFP

International Herald Tribune

Very briefly:

• Hoechst AG of Germany said it would merge its European fiber activities and spin them off into a separate unit Oct. 1, to named Hoechst Trevira GmbH.

• European Union new car sales rose 11.3 percent in June from a year earlier, the second consecutive strong rise, the European carmakers' association said.

• Bertelsmann AG expects net profit in the year to June to be "clearly higher than last year" because of tax benefits, while sales rise 6 pct to 18 billion Deutsche marks (\$11 billion).

• Body Shop International PLC founders Anita and Gordon Roddick have sold nearly 2 percent of their equity stake in the cosmetics retailer to fund charitable and personal commitments.

• Fisons PLC, the British healthcare group, said it had appointed Stuart Wallis, to be its chief executive officer, effective Sept. 1.

• Estonia will open up its stock market in August when it allows vouchers, which could have been used to buy land or property, to be swapped for shares.

• Swedish insurer Skandia Forsäkring AB has sold its portfolio of Danish consumer loans to General Electric Capital Corp. of the U.S., effective Aug. 1; the price wasn't disclosed.

• Daily Mail and General Trust PLC and European Media Associates Ltd. said they had increased their joint stake in Chiltern Radio to 29

NASDAQ

Friday's 4 p.m.
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

AMEX
American Express

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Sales figures are unofficial. Yearly highs and lows reflect trading day. Where a stock has paid a dividend amounting to 25 percent or more has been paid, the year's high-low range is noted. Rates of dividends are annual rates. Unless otherwise indicated, rates of dividends are annual rates.

NOTE: The rates of dividends are **annual** disbursements based on the latest declaration.

- e - dividend plus extra(s).
- b - annual rate of dividend plus stock dividend.
- C - liquidating dividend.
- cld - called.
- d - **More** **yearly** **low**

- New yearly low.
- dividend declared or paid in preceding 12 months.
- dividend in Canadian funds subject to 15% non-residence tax.
- dividend declared after split-up or stock dividend.
- dividend paid 2002-2003, omitted, declared, or not entitled.

——**enacted** **paid** **this** **year**, **amended**, **deferred**, or **no action** **taken** **at** **last** **divided** **meeting**.
R—**divided** **declared** **or** **sold** **this** **year**, **an** **acquisition** **made** **within** **the** **last** **year**.

dividends of \$0.00 this year, on accumulative basis with dividends in arrears.
b—new issues in the past 22 weeks. The high-low range begins with the start of free float and next day delivery.
P/E = price-earnings ratio.
r = dividends declared, revised to reflect latest information.

— dividend declared or paid in preceding 12 months, plus stock dividends.
5 — stock split. Dividend begins with date of split.
6 — sales.
7 — dividend paid in stock in preceding 12 months, estimated cash value as ex-dividend or ex-distribution date.

v) — in bonarum; or receivability or not.
vi) — trustee hosted.
vii) — new equity high.

vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities owned by such companies;
vi — when distributed;
vi — when issued;
vi — with warrants;
x — as distributed on or after

MONEY

FIRST COLUMN

Avoid Outgo
In the Quest
For Income

INVESTING for income is a simple phrase based on complex assumptions. The concept of income rests upon its distinction from capital, and the concept of capital — at least from an individual investor's point of view — is itself predicated on an underlying notion of value.

To begin at the beginning: Investing for income only makes sense in the context of preserving capital. If you invest \$100 in January at a fixed annual rate of 3 percent, and then proceed to draw a monthly sum of \$10 from your investment, you will run out of money in November.

So the payment of regular amounts does not of itself constitute income. The notion of not eroding your capital base is implicit in the idea of income. Income is the golden egg that turns bad as soon as the goose becomes *confit d'oeie*.

The next question is: What constitutes erosion of capital? Clearly, drawing down large sums in excess of any interest or capital gain depletes capital very quickly.

But what happens if the investor is intent on preserving that \$100, and takes only the monthly returns? At the end of the year, the \$100 remains intact, and the investor has received \$3. Is this successful investing for income?

The answer depends entirely on the single most important factor for the small investor: Retail price inflation. If inflation is stagnant, the investor has kept the purchasing power of the \$100 and yet generated some extra cash. If inflation is running at 2.5 percent, there is an apparent gain of 50 cents over the year.

The moral is that investors should not be seduced by promises of high "income" unless there is a reasonable prospect of their capital retaining its value against inflation.

M.B.

By Lawrence Malkin

WHEN interest fever starts cooling, as many say it will, the frantic search for higher yields will resume. That's why some analysts say that now is the time to start following some of Europe's soundest banks to Wall Street.

What those banks have to sell from that locale is preferred stock which offers impressive returns in U.S. dollars. Preferred shares of major British, Irish, Australian and Spanish banks are yielding from 8 percent to 12 percent a year before taxes, and carry little capital risk. They also don't tie up money for the long-term.

Most are the equivalent of five to ten-year bonds, because the banks can't call them in for that period. Even ten or twenty-year U.S. Treasuries and German Bonds don't pay as well.

Preferred stock is a sort of a hybrid. To an investor, it is like a bond because its fixed interest rate is virtually certain to be paid unless the bank goes belly up — and for these banks to go under, there's too much to go under, too.

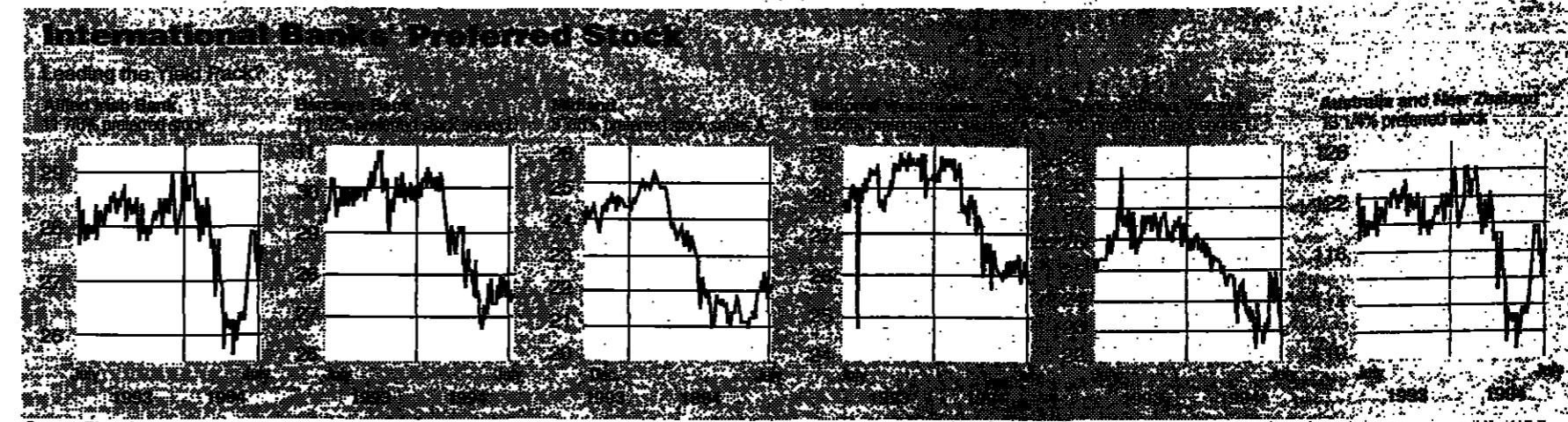
U.S. banks issued preferred stock during the 1980s but have called most of it in and issued common stock instead. U.S. banking giant Citicorp, even in its most parsimonious moments, never skipped a preferred payment.

To the foreign banks, their preferred counts as stock and therefore fulfills the stiffer new capital requirements of the Bank for International Settlements.

Since many foreign banks are not familiar names to most American investors, they have to pay higher rates to raise money — a boon for investors outside the States who already know the banks on their home turf and do not feel they are taking a big risk.

Preferred shares are easy to buy and track on the New York Stock Exchange; prices and yields are carried daily in the International Herald Tribune.

Start out with the "A's" in the listings and you will find the preferred stock of Allied Irish Bank listed as "AllIrish pf." The preferred pays \$2.97 a year, which at



Source: Bloomberg

Investing for Income

Page 15
Equity income funds surveyed
International share incomes compared

Page 17
Corporate earnings vs. investors earnings
Tomorrow's income for technology investors

The current price of about \$27 a share works out to a yield of about 11 percent.

Among other blue-chip issuers of preferred stock are Britain's big clearing banks — Barclays, Midland, National Westminster and the Royal Bank of Scotland.

Australia New Zealand Bank and Spain's two soundest banks — Banco Bilbao Vizcaya and Banco Santander, which is listed as Santander Overseas Corp. — also issue preferred shares.

All the banks have "A" ratings and their preferred shares yield, at current prices, a minimum of around 8.5 percent. Westpac Bank, just climbing out of Australia's real estate collapse and rated "B," had to pay 12 percent to raise money on Wall Street.

The British and Australian banks with hold 15 percent of their dividends (Allied Irish withholds 21 percent), but on income tax forms for U.S. and some European taxpayers, this sum can be easily and fully recouped as a foreign tax credit.

The Spanish banks, which float their stocks offshore in Gibraltar and Puerto Rico, withhold nothing and thus are more suited for tax-sheltered trusts and Individual Retirement Accounts.

Banks typically issue preferred at \$25 a share, and its price then moves in tandem with interest rates although with far less volatility than bonds. The prices of 30-year Treasuries have plummeted more than 16 percent from their highs last November, while the average bank preferred stock has declined slightly less than 8 percent.

That means that when interest rates went up there was less capital loss, and when they go down there will be less capital gain, but there is more security in the yield and you also can be more deliberate in following the market in deciding when to buy," said Edward J. Burke of Tucker Anthony in New York, an analyst who follows preferred stock closely.

Mr. Burke said that clients hold the stock almost entirely for pension funds, IRA's and educational trusts, with some portfolios holding up to \$1 million. The market is liquid, with tens of thousands of shares traded on a typical day.

Whenever a big order comes in from a

major insurance company or fund, the price usually goes up one-quarter or half a point, so small investors should put in a limit order at the lowest recent price and then wait until the buying waves subside.

Relatively few brokers know a lot about these stocks, but they are regularly covered for the retail investor by Global Investing, a New York newsletter specializing in international stocks, and on a wholesale level by Kate Rossow of Salomon Brothers, who warns individual investors to check carefully which issue best suits them for maturity, yield, and special circumstances.

Convertibles: The Best of Two Worlds?

By Rupert Bruce

IMAGINE an investment hybrid that is part equity and part bond.

Some might criticize such an instrument as neither fish nor fowl, but others see it as having much of the fun of equities with some of the safety of bonds.

Such instruments, called "convertibles" are an esoteric breed of investment. They are issued as corporate bonds with a set lifespan, but can be converted into shares at a set price. They suit investors who want some exposure to shares, but who have relatively high income and safety requirements.

In recent months, of course, the bond content has not saved the performance of

convertibles, as bond markets have plunged as much as, and often more than, equities.

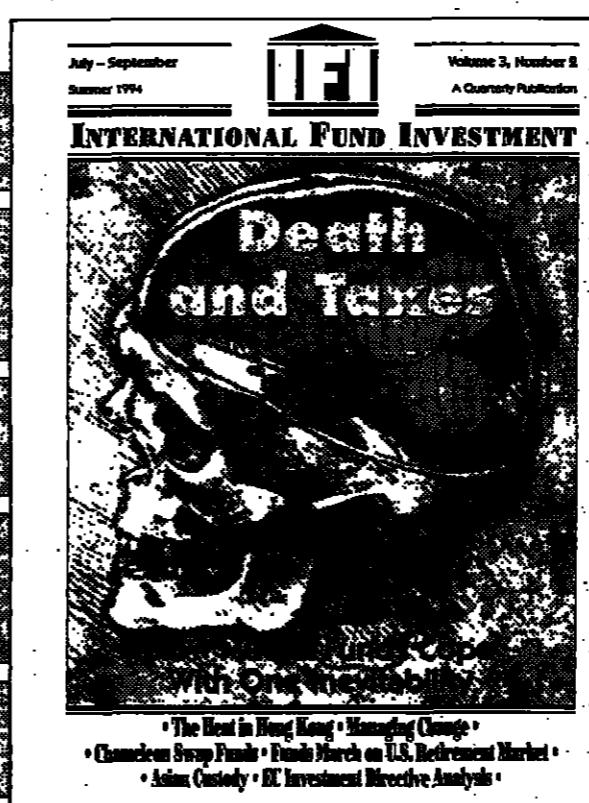
This is not the typical course of events, however, and many analysts expect convertibles to resume their relatively sedate character as soon as bond markets stabilize.

Tim Thomas, London-based manager of the Guinness Flight Global Strategy Convertible Fund, said: "A crude model is that you capture about half the rise or fall in equity markets, but you get a bit of extra income. What has been happening is that with bonds going down, instead of getting half the fall you have been getting about three-quarters of the fall."

Professional investors determine whether convertibles are good value by valuing both their bond element and the option to convert into shares. They value the option using a sophisticated financial model called the Black Scholes Model.

Convertibles are issued all over the world, but the biggest market is in Japan. Companies based in emerging Asian countries are also beginning to issue convertibles. According to Mr. Thomas, there is a dearth of quality convertibles issued by U.S. companies.

The market where the largest issuers meet the greatest buyers is Switzerland. The Swiss Franc convertible bond market, which once had a capitalization of about 25 billion Swiss francs (\$18.9 billion), still has outstanding issues worth about 5 billion Swiss Francs aimed at tapping the Swiss predilection for fixed income with an equity kicker.

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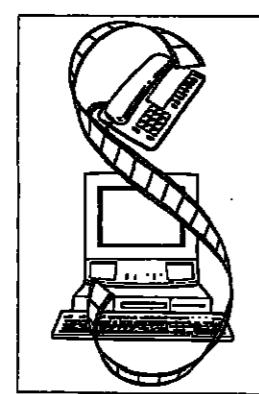
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THE MONEY REPORT

How Quickly Bloom Fades from the Bright, Technology-Stock Rose

By Conrad de Aenle

IT WAS only a penny or two, but it cost a fortune. The management of a computer chip maker called Xilinx Inc. said market analysts had been "too aggressive" in their earnings forecasts for the company this past quarter. So a couple of them shaved a couple of cents, at most, from their estimates, which had been concentrated at around 55 cents per share.

Then the real aggressiveness began. The stock was sold down 17 percent in a few hours that day in mid-May. It closed at \$39.50, after having traded above \$33 the week before.

A few days before Xilinx was broadsided, Cisco Systems, which makes computer networking technology — systems that allow personal computers to communicate with each other — reported quarterly earnings exactly in line with expectations.

But Cisco warned that sales would grow 8 percent from one quarter to the next, compared with the 12 percent to 15 percent that it had routinely achieved in the past. Its stock fell \$5.75 to \$23.25.

Such a torrent of selling seems an extreme reaction, considering how close the results were to expectations. But it was not that tiny shortfall that was responsible, say people who follow these companies. Rather, it represented ratcheting down of expectations for the next reporting period.

"It's a forward-looking market; it's not so much what this number is, but what forward numbers will look like," explained Jim Parmenter, a technology analyst at CS First Boston. "The market values what growth rates will be in the future."

The market in technology stocks consists largely of "momentum players," traders who like to buy companies whose earnings charts trace out a sharp, steady

upward slope. As soon as the slope heads the other way, or even continues to rise less steeply, they sell and move on to something else.

Why are they so quick to leap off the bandwagon? For the same reason, often suspected but not so often articulated, that many on Wall Street make the decisions they do: They simply don't know what they're doing.

"These businesses are very complex," said Paul Svetz, an equity analyst for technology companies at the Scudder fund management company. "Because it's such an opportunistic area — such an attractive area growing so fast — people tend to pay high premiums for these stocks. You're willing to pay a big premium up front for this outstanding performance, but at the first sign of disappointment, those investors who perhaps don't have a clear picture of the industry and the business associated with it may simply abandon the stock. Most people would not understand

how a multiple-protocol router works, but it's a \$2 billion market."

For those who do know that a router is a type of networking system, earnings that fall short of forecasts can be taken as a sign that not all is right with a company.

"Earnings expectations have been finely honed to reflect a company's business opportunities," said Neil Weintraub, a senior technology analyst at Hambrecht & Quist. "When they fall short of those expectations, it's a leading indicator that there are some issues or problems that need to be addressed. Certainly it's not always the case that when a company comes in light, there are broad fundamental problems. But it indicates some issue out there and that's the way the markets have evolved to work."

The issue in the networking business is an increase in competition between makers of routers, such as Cisco, and of rival systems called intelligent hubs, Mr. Parmenter said. It will take several years for a

battle to be played out. In the meantime, "demand for networking equipment continues to be very strong," and sentiment is negative enough that there is little room for further disappointment.

As for Xilinx, Charles Boucher, who follows the company for Hambrecht & Quist, said the present quarter may disappoint, but looking further out, the market may be underestimating its prospects.

"Xilinx is an excellent company that delivers generally solid financial performance," Mr. Boucher observed. "The business they participate in is a very high-growth business and they are the market leader." There is every chance that the fourth quarter could offer a positive surprise to match the recent negative one.

It's tough staying on top quarter after quarter, but companies, especially in high technology, go out of their way to make the effort. Mr. Weintraub said it is common practice to make a purchase from a

supplier near the end of the quarter because the supplier will offer the best deal possible to try to seal the deal and boost the revenue it can report for that period.

The emphasis on short-term results can induce companies to try to cut costs at the expense of long-term paybacks," he added. "If we think a company is underinvesting, we'll factor that into our projections."

While such mortgaging of the corporate future may seem unhealthy, Mr. Svetz advised that a heavy price can be paid for failing to secure the good will of Wall Street.

"Share prices are very important to their ability to raise capital and in their ability to reward employees," he pointed out.

While the IBMs of the world can pay cash for the best staff, smaller companies rely on packages laden with stock options, the value of which appreciates, often dramatically, as shares grow in value.

Do Higher Earnings Always Mean Higher Dividends?

By Digby Larmer

INVESTORS looking for income from equities have had a rough ride in recent years. In Europe, especially, where the recession has taken a heavy toll on corporate earnings, share dividends have been badly hit.

But some analysts now believe that many businesses have turned the corner. With recovery prospects looking better than expected, corporate earnings are climbing out of the red.

The trick for income investors, say analysts, is to spot where earnings are most likely to grow and whether or not they will translate into larger dividends. Complicating that endeavor is the fact that the impact of earnings on dividends often varies between countries and sectors, as well as between corporations.

Roger Barker, an equity strategist with UBS Phillips & Drew in London, said that British corporations, for example, traditionally pass on a higher proportion of earnings to shareholders than those in other European countries.

"This has a lot to do with the structure of share ownership in Britain," he said. "Large pension funds and insurance companies are often major shareholders in big businesses. They have an interest in putting pressure on companies to pay out higher dividends."

"In countries like Germany, on the other hand, there is more cross-shareholding between companies and banks," Mr. Bark-

er continued. "Under these circumstances there is less pressure from shareholders for higher dividends."

While this makes British stocks a likely first choice for many income investors, a question mark hangs over how much longer this difference will last. High payouts in Britain have attracted the unwelcome attention of the country's government and opposition parties.

Stephen Dorrell, a junior Treasury minister, has gone on the record as saying that high dividends are drawing corporate earnings away from much-needed investment programs.

The industry spokesman for Britain's opposition Labor Party, Robin Cook, has publicly expressed the same view, and has gone further by hinting that a future Labor government would impose limits on the level of dividends corporations can pay.

Although management groups are lobbying hard to persuade politicians that this view is misguided, the possibility of future limits on dividend payments in Britain cannot be entirely discounted yet.

This is partly a reflection of how badly hit both countries were by the recession. Confidence remains shaky and corporations need to see further evidence of the recovery taking hold before earnings are translated into significantly higher dividends.

Nicholas Wilson, an analyst with Nomura Research in London, says that while some businesses reduced dividends when earnings fell, others tried to maintain them at existing levels.

"Those who cut dividends early and who are now seeing earnings pick up will be

able to push up dividends soon," he said. "Unfortunately, the ones who continued paying out at the same level throughout the recession have seen their dividend cover badly eroded."

Dividends are also being held back by concerns among corporate chiefs that the recovery is weaker than some market analysts believe. Figures from the investment manager J.P. Morgan show that predicted earnings growth figures across Europe for the rest of 1994 are way ahead of dividends in most countries.

The biggest discrepancy between the two figures is in Germany and France. Earnings in Germany are expected to grow by a massive 42 percent this year while dividends are set to increase by only 6 percent. In France the figure is 36 percent earnings versus 6 percent dividends.

This is partly a reflection of how badly hit both countries were by the recession.

Confidence remains shaky and corporations need to see further evidence of the recovery taking hold before earnings are translated into significantly higher dividends.

Barry Woolf, investment director at Mercury fund managers in London, says that although there is evidence of sustained growth in earnings, the turnaround is too recent to have an immediate effect on dividends.

So, even as earnings forecasts improve, income investors may have to wait until early 1995 before they see dividends returning to the levels of growth which they enjoyed before the recession hit home.

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To play the downside, fund manager Michael Hoffman will allocate up to 25 percent of his cash to "short" selling in markets which he views as riding for a fall. He'll sell borrowed shares of companies in those countries, or of funds which target those countries.

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Mr. Hoffman's top "short" candidate is Brazil, where he believes leftist Luis Inacio da Silva is heading for a win in the October Presidential elections, sending the market into a tailspin.

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An Emerging Markets Twist

Does the world really need another emerging markets fund? Robertson, Stephens & Co., the San Francisco investment group, thinks so — as long as it has a unique twist.

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The Money Report is edited by Martin Baker

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SPORTS WORLD CUP

Europe's Surprising Challenge to the Latin Game

International Herald Tribune

SAN FRANCISCO — In the playground of children, anything can happen. Here in the United States, where soccer remains predominantly a child's play, nature is taking a beating.

We imagined the heat and humidity would sap the European game. We expected the Latins to come good while Europeans wined. We thought history would prevail and preserve the status quo of no European World Cup winner this side of the Atlantic.

And what happens? Seven of the last eight are Europeans. Only Brazil can defend the Latin reputation now; only Brazil can keep the faith of a continent that still nurtures so many individual talents.

What tilts soccer against nature? It has much to do with free trade and world economics.

Just as some Latin American nations grow cocaine for export, so the continent sells soccer talent. Poverty traps in Argentina, Bolivia, Brazil, Colombia, Uruguay and so on are fertile grounds where talent rises under the sun, where boys often have little alternative but to play all day and a great thirst to escape.

Too many are sold before their schooling is complete. They live and work under European conditions, they become accustomed to being exotic exceptions in hard-working European disciplines.

When it comes to World Cups, when they return so fleetingly to their national cause, there is precious little time for coaches to persuade some of them to be workers, some to be stars.

Rob Hughes



Brazil is searching for the blend. It has the forwards, Romário and Bebeto, to win any contest in the flick of an eye. It has work horses such as Dunga. It has reasonable solidity in defense.

BUT THE search for a leader, for a playmaker to maintain the rhythm and beat of Brazilian style, is not yet convincing. Rai, the tall, angular midfielder, could yet be the catalyst, but he does not have the confidence or consistency that his older brother, Socrates, gave Brazil.

Rai drifts. His year in Paris has been interesting and without consistency, Brazil is having to experiment, to feel its way from match to match.

I think, nevertheless, that Brazil will beat Holland in the hot house of Dallas on Saturday. The Dutch have slowly got it together under the prompting of Coach Dick Advocaat.

But slowness in the Dutch defense, quickness in the Brazilian attack, is the key. Romário versus Ronald Koeman, club colleagues at Barcelona, is a pivotal duel, and whatever Advocaat devises to prevent his cumbersome captain from being exposed one-on-one to Romário's quicksilver pace, it will sooner or later happen.

Romário is like a sniper. He can finish the job with a single shot. Brazil relies on him, and on Bebeto, who also plays club soccer in Spain, to provide the Latin continuation.

Strangely enough, the Iberian challenge at this World Cup has less Latin flavor than we associate with Spain. Coach Javier Clemente is a Basque, as is the nucleus of his team, and the Basques are fighters.

So when Italy meets Spain in Boston on Saturday, the Italians had better be prepared for a

contest at least as draining as its last, fortunate encounter with Nigeria.

The African champion betrayed itself, attempting to sit on an early lead and to play the Italians at their own defensive game. Roberto Baggio, almost a single inspiration in a neurotic Italian side, saved that game in the last moments.

Yet Baggio and Italy's coach, Arrigo Sacchi seem as distant as their hairstyles are different: Baggio sports a pony tail, Sacchi is bald. Italy's tradition tells us that once it turns a corner of self-doubt, it wins major trophies. But Spain, attacking down the wings more than any other team at this World Cup, might outfight and outlast Italy.

Tales of fighting soccer and you get Bulgaria versus Germany in New Jersey on Sunday. This will not be for the purist.

Germany began its defense of the World Cup in grinding rather than convincing fashion. It suffered badly in the one game that it played in the midday southern heat, but, as Germans do, the players dug deep into reserves of tenacity.

I still doubt Lothar Matthäus's capacity to switch from midfield to defensive sweeper. But against Holland in Chicago, on a day when the temperature dropped忽然 to European levels, Jürgen Klinsmann and Rudi Völler came through.

WHATEVER it is, it must be a fine elixir that Völler takes. He is 34, he is out of retirement, he moves with the stealth of a Fagin in the penalty box. And the two goals he struck against Belgium make him second only to Gerd Müller as Germany's all-time scorer.

Having benefited in that match from a gross refereeing error, which denied a Belgian penalty,

Germany has characteristically obtained two more days of rest than their Bulgarian opponents.

Germany may need that, and strong nerves made since this weekend. For the Bulgarians can be vulgar. Their play is laced with nasty, volatile, do-or-foul, yet they overcome suspension after suspension. They persevere, and they have in Hristo Stoichkov, a striker who might outwit the best or baffle with the worst.

In contrast to the Bulgarian version of former East European sports, Romania reached glorious heights of counterattacking play in the victory over Argentina.

It was a performance to savour. The central character, Gheorghe Hagi, is built like Maradona, has had problems with alcohol rather than drugs, but has slimmed down for this calling. The Americans refer to him as a quarterback, which is not at all a bad description for the way this diminutive playmaker directs his side and releases his forwards with passes of fine precision.

With Ilie Dumitrescu and Florin Radu running for him, with his own ability to strike from 30 meters, Hagi is almost a celebration of Romania's liberation from Ceausescu.

He and his teammates pre-empted this tournament with a mutinous demand for bonus money. Some of them carry precious Bibles. Coach Anghel Iordănescu holds a small cross in the palm of his hand, and the team members say they are united in carrying Romanian destiny.

Strong stuff. But Hagi possesses something closer to football. He is the "Maradona of the Carpathians," a European graced with Latin flair. I told you this was a tournament for Latinos.

Rob Hughes is on the staff of The Times.



Bebeto was sure of Brazil's chances against the Dutch.

Brazil vs. Dutch: Game Fit for the Final

Reuters

DALLAS — Brazil and the Netherlands are promising a classic encounter of attacking football when they clash Saturday in the 1994 World Cup's most glamorous quarterfinal.

Both sides want to produce a confrontation fit for the final in a game they say the whole world will be watching.

"This has everything to be one of the best games of the tournament," said Brazil's coach, Carlos Alberto Parreira. "From what I've seen of the Dutch, I know they will attack Brazil. That will put us more at risk but it will also give us more space to play."

The Dutch coach, Dick Advocaat, said there would be little variation from the side that beat Ireland 2-0, in the second round with a display that has given the Dutch players renewed confidence in their ability to win the World Cup.

"This is going to be a fascinating game because of the two types of styles," said Advocaat. "The Dutch play a game that involves players combining on the way to goal. Brazil depends a lot on individual skills."

"Brazil has a good team with great individual players," he added, "but the same is true about the Dutch team."

The key to victory, and a semifinal berth, lies in how well the defense can cope with two of the most talented strike forces in the world.

The only previous World Cup encounter between the two countries was in 1974, when the Netherlands won 2-0, on goals by Johan Cruyff and Johan Neeskens, to clinch a place in the final.

The Netherlands, led by Cruyff, lost to West Germany, the host, which was led by Franz Beckenbauer. The Dutch have been haunted since by the tag that the squad was the finest team never to win a World Cup.

On Saturday, the Dutch will rely on two young players who have yet to make their marks on the world stage: Dennis Bergkamp, 25, and Marc Overmars, 21.

Overmars, possibly the fastest winger in the world, set up the opening goal against Ireland and his pace on the right is likely to pose problems for Brazil. Bergkamp has begun to find his scoring touch, with two goals the last two games.

Parreira is debating whether to use the

former Genoa and Porto player Branco or Cafu to replace the suspended defender Leonardo.

Neither is a satisfactory solution, especially considering the Dutch speed on the right flank, and Branco, who has not been in top form in the last year, has played only half a game since late May.

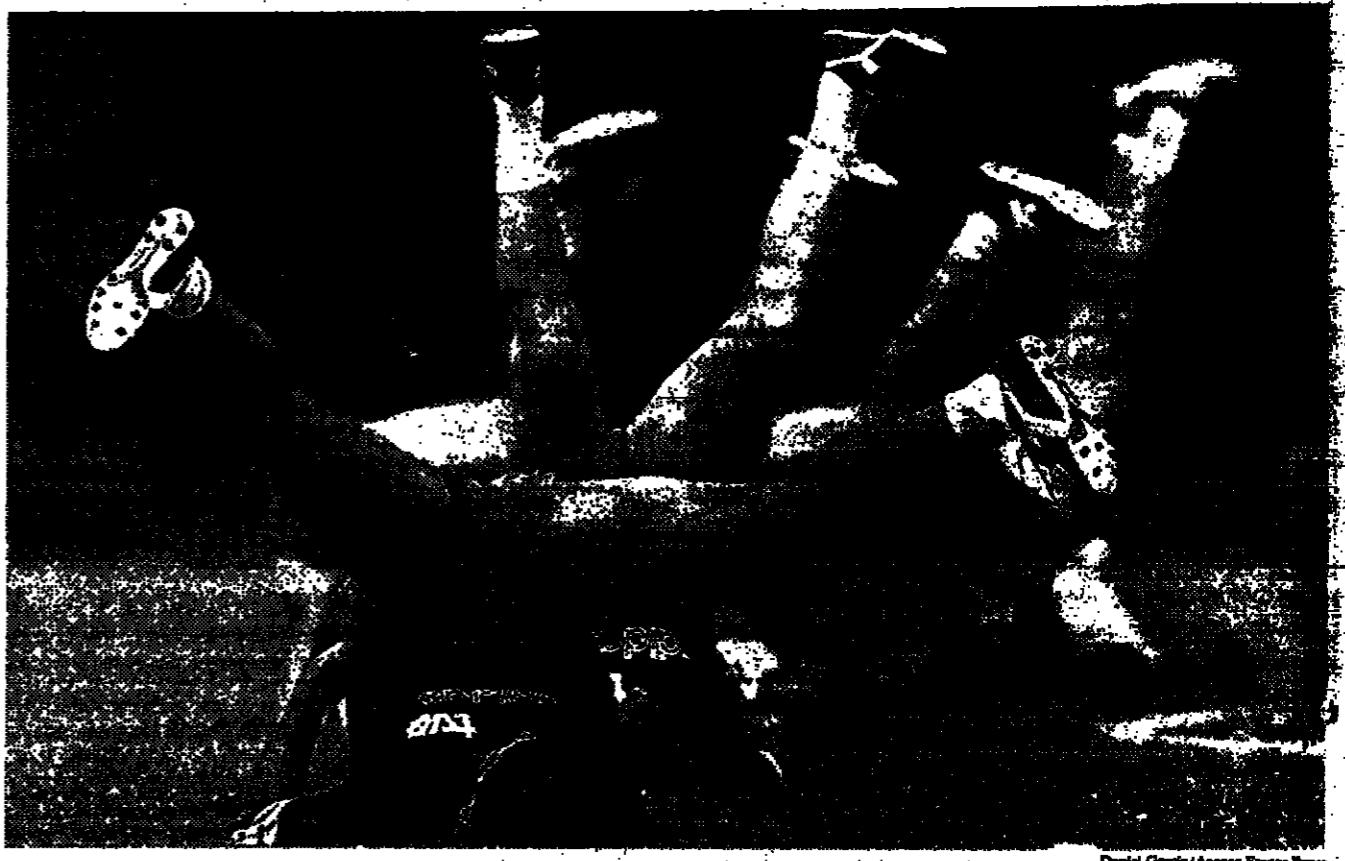
But it could be the skills of Romário and Bebeto at the other end that decide the semifinal. They have five goals between them, and have sliced open defenses with their vision, darting runs and passing.

The veteran Dutch international Frank Rijkaard, who will have the job of stopping them, regards Romário, a former PSV Eindhoven striker who is now with Barcelona, as the greatest player in the world.

"We are all going to have to produce great performances to beat Brazil," he said.

Although Parreira gives the Dutch due respect, he does not doubt the outcome.

"They are a very well-balanced team, they have a great leader and inspiration in Ronald Koeman," he said. "But I'm only thinking of winning. We're already making arrangements to go to Los Angeles."



Spanish players working out in Concord, Massachusetts, preparing for their quarterfinal against Italy on Saturday.

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Plane Hammer Foe's Airfield

Invasions Make Modest Advances;
Repel All Nazi Counter-Attacks;
Planes Hammer Foe's Airfield

The Associated Press

MORAGA, California — Before the World Cup finals began last month, nine Swedish players said their team would reach the final match. One of the optimists was Klas Ingesson, and he is still standing by his prediction.

"We can beat all the teams that are left in the tournament," Ingesson said before Sweden's quarterfinal match against Romania on Sunday.

Referring to a first-round match, he added, "Tying Brazil gave us so much confidence."

Even without the striker Martin Dahlin, who has four goals in the World Cup but was suspended for accumulated yellow cards, Sweden took a 1-0 halftime lead against Brazil on Kennet Andersson's goal.

Sweden became Nordic champions in early June, finishing ahead of Denmark, the European champion, and Norway, which also played in the World Cup. Can the Swedes become world champions?

Ingesson doesn't look that far, but said: "I'd be extremely disappointed if we lose on Sunday. I've never played on a better

Swedish team and I doubt Sweden will ever have a side like this one again."

Ingesson, 25, has played for Sweden 46 times since his debut in 1989 and was a member of the team that finished third in the 1992 European Championship.

Ingesson, who plays for PSV Eindhoven in the Dutch first division and is one of 11 foreign-based players on the Swedish team, will face one of his club teammates on Sunday — the Gheorghe Popescu.

"Gheorghe is one of my best friends on PSV Eindhoven," Ingesson said. "He's very strong in the air and I think he'll mark Kennet."

Andersson is the tallest Swedish player: at 1.93 meters (6-foot-4). He has scored three goals in the tournament, including two in a 3-1 victory over Saudi Arabia in the second round.

Ingesson was inconsistent in midfield during the first round, but played his best game of the tournament against the Saudis. Lack of training was the main reason Ingesson looked rusty early in the tournament.

In May, he was forced to wear a neck brace for three weeks after hitting a moose with his car on his way to a golf course in Sweden. Then, in his second workout in the United States, he bruised his thigh.

Ingesson scored off a rebound for Sweden in a 1-1 tie with Romania on June 12 in Mission Viejo, California, both teams' final World Cup warm-up.

"We were clearly the better team in that match despite the fact that we didn't have our best team while they did," Ingesson said. "And we're better now."

The key to beating Romania, said Sweden's coach, Tommy Svensson, is to close down its options in midfield: that is, Gheorghe Popescu, who has three goals and is a leading candidate for the tournament's most valuable player award.

"Gheorghe has been the outstanding player of the tournament," Svensson said. "His split vision is fantastic. He's fast, technically very strong and dangerous at free kicks. He also makes other players good."

"It will be our toughest task so far," he added. "The Romanians were impressive in all games except the one against Switzerland, when they showed low team morale."

CUP WRAP-UP

Compiled by Our Staff From Dispatches
Coach Berti Vogts has reassured Germany's country's soccer federation that he has no plans to quit after the World Cup.

The Frankfurter Allgemeine Zeitung newspaper on Friday quoted Egidius Braun, president of the federation, as saying he feared "attacks from parts of the media" might drive Vogts from his job.

The coach has been heavily criticized in the German press for the team's lackluster play.

"We'll analyze the World Cup and talk about other things, but I intend to continue," Vogts said in Chicago.

• Pele, the tournament's best-known bystander, said there were no excuses for Diego Maradona failing the drug test that put the Argentine captain out of the competition.

"If he had been a young player of 17, you could perhaps understand it," Pele said. "But Maradona has played in four World Cups and he knew he couldn't do that. There are no excuses."

Pele also said it was sad that Maradona had never set a good example for young people.

"He was never able to use his position," he said. "It may be his lack of family or religious background. Everybody follows what the stars do. They should be an example."

• More assessments of the referees:

Gerson, one of Brazil's past soccer greats, said in Dallas, "I've seen referees here who aren't fit to officiate on Copacabana beach. The only one who is any good is (France's) Joel Quiniou."

Said Clive Thomas of Britain, who officiated at the 1974 and 1978 finals: "The refereeing in America has been awful. It's the worst I have ever seen and FIFA must take the blame."

Gerson also said the coaches this time had more imagination, and added that most players were mediocre.

Herald Tribune

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Sweden's Kennet Andersson prepared his head for the Romania match.

SPORTS WORLD CUP



Lothar Matthäus resumed full training, still sore afoot.

For the Final 8, the Plan Is That There Is No Plan

International Herald Tribune

BOSTON — Bulgaria needed to win in Paris nearly eight months ago to qualify for the World Cup finals instead of France. None of the French seemed to worry — Bulgaria had never won in 16 matches in the World Cup finals. The game in Paris was drawn, and Bulgaria was apparently, predictably, dead in a qualifying round 900 minutes long.

The ball fell out of the sky in the 90th minute, and Emile Kostadinov used the shadowed bit of the crossbar to knock it into the French goal. So Bulgaria was in the finals and drawn into a final group with Argentina, twice champion since 1978, and Nigeria, which demolished the Bulgarians 3-0, in the opening game.

Borisav Mihaylov, Bulgaria's captain and goalkeeper, revealed that the players had gone on strike for two days after receiving only one-fifth of a promised \$72,000 bonus.

"The atmosphere in the squad started to deteriorate when the federation went back on their word given last November," Mihaylov said two weeks ago. "Now we are just not up to it physically to play a tournament as demanding as this."

Just a few hours before Argentina was to have knocked Bulgaria out of the first round, Mara-

dona was banished from the World Cup for illegal drug use. Argentina lost its next two matches, including a 2-0 upset that put Bulgaria through to the second round.

Whereupon Mihaylov beat Mexico on penalty kicks.

For all of its fits of drama and tragedy, the World Cup has gone basically to plan. Basically, there was no plan. A record seven European teams have advanced, which might say something about European soccer but probably doesn't — other than to deduce that the rest of the world went 1 for 11 in the first round. The three countries that have won the World Cup three times — Brazil, Germany and Italy — are still alive, but each is hardly invincible, which is why Germany is now in the position of worrying about Bulgaria.

We are seeing yet again how pressures mount in this sport as in no other. Germany has always appeared unswayed by its own grand reputation, and yet the Germans will go into their quarterfinal Sunday at Giants Stadium in New Jersey understanding that Rudi Völler, the striker who turned things around for them last weekend, is 34; that their 33-year-old leader, Lothar Matthäus, is still pained by the cut in his right foot that forced him to miss the second half against Belgium; that they avoided a penalty that would have brought Belgium within a goal of forcing extra time, and that now they are facing a team

that has exploited such weaknesses in its other opponents.

A quarter of the world's last eight teams come from Central Europe, which might have been the least likely such producer in the last five years. With the demise of the East bloc, Bulgaria and Romania have prospered by selling their players to the West, subsidizing the game at home while giving international players the experience that has seen them through the first games here.

The Bulgarian star, Hristo Stoichkov, signed with Barcelona for \$3 million, a Spanish bargain. Another striker, Luboslav Penev, went to Valencia, while Kostadinov plays for Porto. Mihaylov plays for Mulhouse in the French second division.

Romania has grown up just as quickly. Following a 5-2 qualifying loss to the Czech Republic a year ago, the team fired its entire technical staff, including the manager, Cornel Dumitru. He was replaced by Angei Jordanescu, who won his first three matches to put Romania into these finals. His record in meaningful games is now 6-1.

Gheorghe Hagi, who let Romania down in the 1990 finals, has lived up to his enormous reputation this year — thanks in large part to his experiences first with Real Madrid and now with Brescia in the Italian League. Another of the eight Romanians on club payrolls in Western Europe is the striker Florin Raducioiu, who had the honor and misfortune of signing with AC Milan,

the European champion, for which he played only sparingly this season.

"I'd have to say the new political system has been helpful," said Jordanescu, more than four years after the overthrow of Nicolae Ceausescu. "Romania has always had talented players, but under the past system, our players couldn't cultivate their own personality or image. Now they can sign with professional teams and show their true talent and their true value."

Romania would appear to have the easiest route to the semifinal, playing Sweden, a fellow darkhorse, Sunday in Los Angeles. The other quarterfinals involve teams whose public will settle for nothing less than another championship. Two of them, Germany and Italy, will face underdogs who ought to be surprised to be here (Spain, Italy's opponent, having not advanced to the semifinals since 1950).

The pressure has clearly eaten up Italy, which has been able to win only in the panic of losing a man.

Then there is Brazil, which plays in a prologue mode — and a dazzling introduction it is — but has yet to get to the point. It has not achieved a higher gear, and now it is playing the Netherlands, which, without Marco Van Basten, Ruud Gullit and the coaching of Johan Cruyff, are not expected to advance. In America, that is just the excuse to win.

Or Is It Bergkamp?

Striker Blossoms to Lead Dutch Team

By Helene Elliott

Los Angeles Times Service

DALLAS — It is nothing new for the Dutch forward Dennis Bergkamp to be living other men's dreams.

He was named for a Scottish soccer player whom his brothers admired, Denis Law, and with his family made regular vacation pilgrimages to England, where they watched as many matches as they could.

When he wasn't watching games, he was playing them. Before he was a teenager, he was touted for stardom by Johan Cruyff, who shepherded Bergkamp through the youth programs of the famed Ajax club in Amsterdam, his hometown.

Cruyff might have taught him a few tricks to fool defenders, but his sure touch around the net is distinctively his own. So is his speed and acceleration, which overshadow his subtle, precise skills with the ball. With three Dutch league scoring titles to his credit, he has largely fulfilled the promise seen by his family and nurtured by Cruyff.

But not until the last three weeks, when the Netherlands began its march through the World Cup finals, has Bergkamp been able to live his own dreams.

He was always polite and unassuming, eager to please but resistant to suggestions that he should be more dynamic. Teammates attributed his unease to shyness, and they probably were right.

Didn't he reject the chance to play in Spain because he didn't want to be alone in a foreign country? And when he decided to leave last fall to play in Italy for Inter Milan, didn't he insist that the club also sign his friend and Ajax teammate, Wim Jonk, so he wouldn't be alone?

They understood his skittishness, but some wondered about it. If he was reluctant to test himself in Spain, how would he perform under the pressure of starting for the Netherlands in the World Cup — and of being responsible for the team's offense after Ruud Gullit quit and Marco van Basten was injured?

To their delight, he has reacted with his usual poise and modesty — and new assurance. Bergkamp, 25, has blossomed during the last three weeks, becoming a complete player who is also completely at ease.

It was significant, too, that in discussing that goal and his growing list of achievements, Bergkamp looked directly at interviewers, speaking softly but frankly and at length. In an interview a few weeks ago, he had looked off into the distance and mumbled something politely vague.

"I'm more confident," he said. "And I'm playing with much more confidence, like the team. We have taken our level of play to another level since the first round. If we continue to build our confidence and play like this, we should do very well."

Success has always come easily to Bergkamp, who made his debut for Ajax at 17 and for the Dutch national team at 21. The season he joined Ajax, the team went to the Cup Winners' Cup final. He led Ajax to a Dutch league title in 1989-90, the season after he had set a league record by scoring goals in 10 consecutive games. He was the Dutch player of the year in 1991 and the players' player of the year in 1992, yet his critics weren't satisfied.

"They always expect me to score goals," he said. "When you play in Italy and play for the Dutch team, the expectations are very high, always."

"For me, it has always been like that," he added. "When I was a young kid, 12 years old, I played for Ajax and there was pressure. Every year the pressure is getting bigger and bigger. For me, it's the same here."

But it wasn't the same old success story when he went to Inter Milan last fall. He chose that club instead of Barcelona, which is coached by Cruyff, because Inter promised to build its team around him and was willing to pay \$36.25 million to get him. He struggled to learn a new system, a new language and a new position — striker — instead of withdrawn forward.

He was roasted by the soccer-mad Italian press, called a spoiled rich boy and too meek to succeed.

"In Italy, they threw me into the lion's den," he said. "It was difficult, but I kept my faith in myself."

It took a while, but he turned faith into results. Although Inter finished near the bottom of the regular-season standings, Bergkamp produced a flurry of eight goals in leading the club to victory in the UEFA Cup tournament. In the meantime, he was guiding the Netherlands through World Cup qualifying, scoring five goals in four games.

"He can make the difference in the field in any game," said Ronald Koeman, the Dutch captain. "He's playing on his best [level] right now."

When he plays well, so do the Dutch. They attacked from the start of their 2-0 second-round victory over Ireland, and Bergkamp was in the thick of it. He converted a pass from Marc Overmars to score the first goal, which forced Ireland to modify its defensive stance and attack. That, in turn, left more openings for Bergkamp and his teammates, who scored again before halftime and played their best overall game of the tournament.

The first half was a real showing of how the Dutch team can play," Bergkamp said. "Unlike the first three games, we dominated everywhere, up front, in midfield and on defense. This game proved we can play with players on the wings. Teams don't have to be so defensive to win games. This style of football has worked very well for us. We showed how Holland can play."

Well enough to beat Brazil?" Bergkamp wasn't saying.

"They are very talented and they have two great forwards in Bebeto and Romario," he said. "But they need to worry about us, just like we worry about them."



The Dutch star Dennis Bergkamp taking a break in Dallas, where his team faces Brazil in the quarterfinals Saturday.

Now, people the world over know Romania is Gheorghe Hagi, king of the Carpathians.

He's the best player on a team that is on the best-World Cup run Romania has ever had. Surrounded by the talented forwards Hagi, Munteanu and Florin Raducioiu and a hard-nosed defense led by Miodrag Belodedici, Hagi helped Romania win Group A, ahead of Switzerland, the United States and Colombia, and then defeat Argentina, 3-2, in a scintillating second-round match.

"I think that so far, Hagi is one of the two or three best players in the tournament," said his teammate Dorinel Munteanu. "România is a good goal-scoring, but Gheorghe could emerge as the best player," he added, referring to one of Brazil's stars.

Munteanu said, "Some people who don't know him may doubt him, but I was sure that he would play well."

Actually, there are people who doubt Hagi because they do know him.

They know he possesses the skill and instinct to take control of a game with

dribbling runs that can leave defenders looking foolish, with looping passes that spawn Romania's lethal counterattacks or with a perfectly placed shot from 30 or 40 meters that renders a goalkeeper helpless.

The soccer world got a taste of this during the 1990 World Cup, when Hagi and the Romanians reached the second round before losing to Northern Ireland on penalty kicks.

That performance prompted Real Madrid, one of Spain's traditional powers, to spend \$3.5 million to purchase Hagi from Steaua Bucharest. Steaua had been run by Valentin Ceausescu, son of the late Romanian dictator, Nicolae Ceausescu. But the Ceausescu regime was overthrown in 1989, setting the stage for Romanian soccer players to ply their trade abroad for the first time.

But Hagi's days with Real Madrid were far from spectacular. He struggled for two seasons before being unloaded to the Italian club Brescia, which fell from the first division to the second after Hagi's first season there.

He continued.

"Hagi is kind of a symbol for Romania," he said. "He seems to be the one guy everyone knows. He's our ticket. Now people know we're not just Dracula and Nadia Comaneci."

The Spanish tenor Plácido Domingo was entertaining the former German player and coach Franz Beckenbauer during the taping of a TV show. Domingo predicted a Germany-Brazil Cup final.

Roberto Pichler/The Associated Press

Italy Shakes Up Its Lineup, Germany and the Netherlands Have Injury Problems

Compiled by Our Staff From Dispatches

Italy's coach, Arrigo Sacchi, recalled Walker Gianluca Pagliuca on Friday and dropped midfielders Giuseppe Signori and Nicola Berti for Saturday's quarterfinal with Spain.

With defender Roberto Masi ruled out by an ankle sprain, the AC Milan veteran Mauro Tassotti will take over from him at right back with Pagliuca, suspended for the two previous matches, replacing Luca Marchegiani.

Juventus midfielder Antonio Conte will make his World Cup debut on the right midfield instead of Berti.

Dino Baggio will return in the center of the midfield, allowing Roberto Donadoni to move over to replace Signori on the left.

• Key midfielder Matthias Sammer may miss Germany's quarterfinal against Bulgaria because of a leg injury.

"It's a problem with the calf muscle," said the team's coach, Bert Vogts. "He didn't train the last two days."

"I really hope he'll recover in the next two days," Vogts added. "We would have to change our midfield tactics if Sammer is unable to play."

The team had already lost two midfielders.

Stefan Effenberg, who was sent home, and Mario Basler, who returned home to be with his wife, who is having problems in the eighth month of pregnancy.

But the good news was that Lothar Matthäus had resumed full training and should be fit for Sunday's game.

• The Dutch, too, had injury problems, with forwards Marc Overmars and Peter van Vossen not being able to train at full strength.

Overmars is still troubled by a calf injury," said the team's coach, Dick Advocaat. "The winger ran leisurely laps round

the Cotton Bowl while his teammates were training with the ball.

Fellow forward Van Vossen was still troubled by a light groin strain, but was expected to be able to start Saturday.

• Spain should be at full strength for the first time when it plays Italy on Saturday.

Starting midfielder Fernando Hierro and defender Rafael Alkorta, both of whom had been nursing strained muscles, were cleared by doctors to play and all 22 players took part in training outside Boston.

"Physically speaking, the side is 10 out

of 10 and problem-wise we're at zero," said the medical services chief, Enrique González-Ruiz.

Veteran goalkeeper Andoni Zubizarreta, swept Miguel Nadal and midfielder José Luis Caminero are back from foul suspensions.

• Swedish defender Roland Nilsson said he expected to be fully recovered from a calf injury. But defender Joachim Björklund, who suffered a recurrence of an old groin strain in the second-round match against Saudi Arabia, was doubtful of playing against Romania. (Reuters/AP)



Lothar Matthäus, Germany's captain, gave T-shirts to policemen after a practice in Hinsdale, Illinois.

Roberto Pichler/The Associated Press

DAVE BARRY

'G-L-O-R-I-I-I-A'

MAMI — Bruce Springsteen played my guitar, I am not making this up. It was the high point of my musical life. I am never going to wash my guitar again. (Not that I ever did before.)

I should explain that I belong to a band called the Rock Bottom Remainers. It consists mostly of writers. The original concept was that people who spend all their time writing would enjoy a chance to express their musical talent. The flaw here is that most of us don't have any musical talent. So we compensate by playing amplified instruments loud enough to affect the weather. Also we stick to songs that are so well known that even when WE play them, people sometimes recognize them.

For example, we play "Louie Louie." You know how scientists have been trying fruitlessly for years to contact alien beings by broadcasting radio signals to outer space? Well, I think they should broadcast "Louie Louie." I bet alien beings would immediately recognize this song and broadcast a response ("PLAY SOMETHING ELSE").

For a change of pace, the Rock Bottom Remainers also play "Wild Thing." We employ two powerful musical weapons when we perform this song. One is Roy Blount Jr., a great humor writer who has the raw natural musical talent of a soldering iron. At the end of the first verse, the band pauses dramatically, and Roy is supposed to say, "I LOVE you," at the end of the second verse, he's supposed to say, "You MOVE me." So when we get to the end of the first verse, we stop, and everybody turns expectantly to Roy, waiting for him to say "I LOVE you," and Roy, frowning with deep concentration, inevitably says: "You MOVE me."

Our other big musical weapon on "Wild Thing" is Joel Selvin, a writer and rock critic who plays a plastic flute that looks like the kind you get from gum ball ma-

chines. When he gets on stage, Joel tends to get nervous and blow REALLY HARD, so that instead of notes, the flute emits a series of extremely high-pitched squeaks, like a gerbil that fell into a french-fry machine. Sometimes Joel's entire solo is above the range of human hearing.

I play lead guitar in this band. My sole musical qualification is that I am slightly more experienced than the guy who plays rhythm guitar, Stephen King, well-known author of children's books ("The Little Engine That Could Sneak Into Your Room at Night and Eat Your Eyes"). In May, the Rock Bottom Remainers performed at a party in Los Angeles at the annual convention of the American Booksellers Association. The audience members were receptive, by which I mean that they had been drinking. Some people got so receptive, so we decided to play "Gloria," which we like because it's even simpler to play than "Louie Louie."

So we went back on stage, and I picked up one of the two guitars I'd been using, and just as we were about to start, Stephen tapped me on the shoulder and said, "We have a special guest." I turned around, and there was Bruce Springsteen. I still don't know how he came to be at this convention; I don't believe he's a bookseller. All I know is, he was picking up the other guitar. My guitar.

So we played "Gloria," and I say in all modesty that it was the best version of that song ever played in the history of the world, going back thousands of years.

Anyway, now I'm back in my office being a columnist again. But from time to time my mind drifts back to that night. I haven't polled the other members of the Remainers, but I think we would definitely let Bruce join the band, if he wrote a book.

I would even let him play lead guitar.

Knight-Ridder Newspapers

Making Waves at the Arch of Triumph

International Herald Tribune

PARIS — Unlike a lot of artists these days, Bill Fontana, who makes sound sculptures, has been really lucky in Paris. His first project since moving here was accepted, financed and completed: No mean feat since it involved wrapping one of the city's great monuments, the Arc de Triomphe, in a wall of white noise. The work is called "Sound Island."

What Fontana did was install loudspeakers on the monument's facade and a complicated console in a small office, normally used by the military, in the

MARY BLUME

upper reaches of the arch. Bemused tourists walking through the pedestrian tunnels under the murderous Place de l'Étoile or standing near the tomb of the Unknown Soldier hear, instead of the roaring traffic's boom, the tremulous cadence of the sea.

Seated before his console, Fontana, who has made installations from Sydney to Frankfurt, explained his work: "Sound sculpture is a spatial presence of sound that endures in time. So that in the Arc de Triomphe you have the spatial presence of the sea enveloping the monument."

"Sound Island," which Fontana first presented at a Paris show of public art projects in 1993, does not involve recorded replications but live transmissions of the deep sea swells from two points in Normandy.

In the pedestrian tunnel, the sound is transmitted via a hydrophone hanging from a whistling buoy five kilometers (three miles) out at sea. At ground level, the sound comes from coastal waves breaking near a German bunker at the Pointe du Hoc. Transmission to the arch is by digital telephone.

The whole monument is engulfed by the sound of the sea, Fontana said.

He put together "Sound Island," which opened June 15 and was scheduled to run all summer, in only two months. With relative ease, Fontana got the \$350,000 needed for "Sound Island" from the Ministry of Culture, the city of Paris, and private backers such as AT&T.

Where he was lucky was that his sound, coming from Normandy, fit with the June celebrations of the D-Day landings. He also hit, unwittingly, a sensitive spot in the Paris psyche which, despite its metropolitan arrogance, like to be reminded of its rural roots.

One of the most successful slogans of the 1968 events was "Under the cobblestones, the beach," and a few years ago French peasants, who annually drive the country mad with their demonstrations, charmed Parisians by covering the Avenue des Champs-Elysées with hay. Equally pleasing was the declaration some years back by the prefect of police that the hunting season was open, although there is no hunting in Paris.

It is well known that the pleasure of hunting is quite distinct from actually shooting at game," the prefect explained. "The prefect of police did not want

to deprive Parisians of a dream so essential to urban civilization."

Fontana, who lived in San Francisco before moving to Paris, says that the Arc de Triomphe project grew out of an installation he made in 1991, in which the sound of Niagara Falls enveloped the facade of the Whitney Museum in New York.

"I am fascinated by the relationships between

sound and architecture," he said, "transforming architecture with sound because architecture is massive and sound is ephemeral. It's a way of deconstructing architecture."

Not all architects are eager to have their work

deconstructed but Fontana says that sound can also

refocus attention on a monument and that this is what

happened at the Arc de Triomphe. "This is a place

that nobody ever pays much attention to, it's a kind of

forgotten monument except for the tourists. You

certainly don't find Parisians coming to this place."

In addition to the sounds of the sea at ground level, visitors on the arch's viewing platform have the stately panorama enlivened by live sound from such Paris sites as the stock market, the Eiffel Tower and the

Deux Magots cafe.

Fontana, 47, usually carries a small digital tape

recorder and a microphone. This month he has a new

installation opening near Innsbruck, Austria, in a

mine that was once a salt factory.

"The sound is inspired by the geological history of

salt mining," he says. The work consists of resonances carried by microphones placed in old wooden pipes through which the salt passed.

Similarly, for the Japanese Cultural Institute in

Cologne he made an installation called "Sound of an Unblown Flute," a title taken from a haiku: "I just

wanted to sound that these flutes made when they

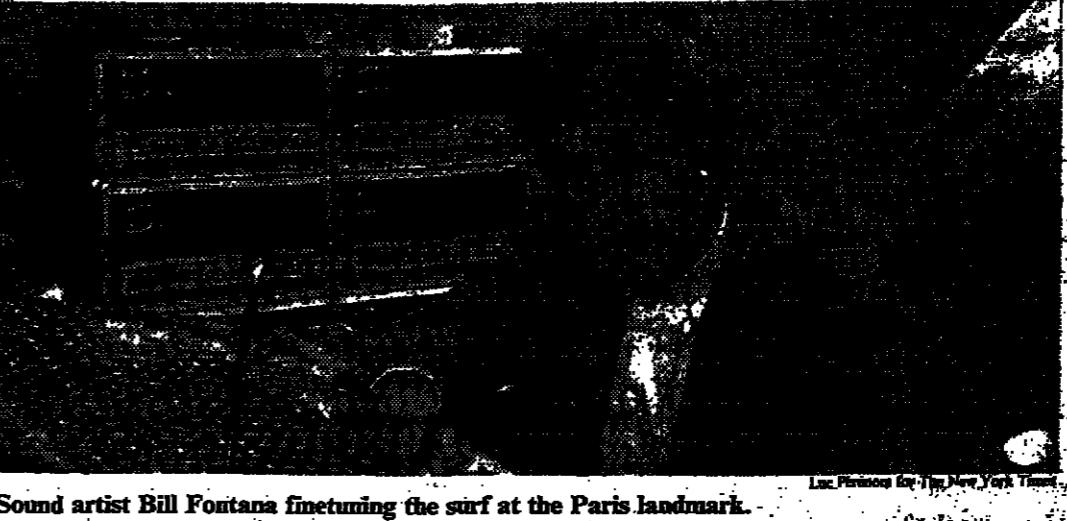
weren't being played."

A favorite among Fontana's hundred or so installations is "Distant Trains" in 1984, which carried the

sounds of the main Cologne train station to a Berlin

station and then to country fields. For "Vienna Land-

scape Soundings," which also exists on compact disk,



Sound artist Bill Fontana finetuning the surf at the Paris landmark.

Luc Plamondon for The New York Times

PEOPLE

Record Firm's Memory Refreshed by a Layout

Elektra Records, which produced Natalie Cole's smash hit "Unforgettable" in 1991, has conceded that it wrongly failed to credit the late Nelson Riddle as the arranger for the record, which won six Grammy awards in 1992. The Nat "King" Cole original, written by Irving Gordon, was arranged by Riddle in 1951. The 1991 version was a studio-engineered duet between father and daughter, Natalie Riddle, the widow, sued when Elektra credited Johnny Mathis for the arrangement, which won one of the awards.

Carl Banks, a long-time Disney animator, is at age 93 visiting Paris for the first time to be honored for his work. On Friday, he was given the city's Grand Médaille de Vermeil and met with Pauline Kehlmann, the U.S. ambassador to France, and his wife, Dewey and Louise.

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James Brown doesn't want to be the godfather of profanity-laced rap. His recordings have been a target for "sampling," in which cuts from one recording are blended into another. "Rappers have a message," he says, "but sometimes go overboard. I want no part of that."

Joey Buttafuoco has a message for Amy Fisher: "I hope you get in jail." He was angered by a photo of the jailed Fisher, smiling and looking relaxed, as if "slimming her nose at the whole system." Buttafuoco served four months in jail for having sex with a then-underage Fisher. Fisher, now 19, is serving 5 to 15 years for wounding Buttafuoco's wife, Mary Jo, in 1992.

INTERNATIONAL CLASSIFIED
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WEATHER

Europe

	Today				Tomorrow			
	High	Low	W	Wind	High	Low	W	Wind
Algiers	26.92	16.64	+	26.82	16.98	+	27.03	17.00
Aachen	27.71	17.00	+	27.68	16.81	+	27.85	17.00
Ahmedabad	33.08	22.71	+	32.89	21.70	+	33.00	22.50
Amsterdam	25.77	17.22	+	25.68	17.00	+	25.87	17.00
Antwerp	27.71	17.22	+	27.68	17.00	+	27.85	17.00
Barcelona	22.71	12.63	+	22.69	12.00	+	22.77	12.63
Berlin	27.71	17.00	+	27.68	16.81	+	27.85	17.00
Bilbao	29.71	18.05	+	29.70	17.81	+	29.85	18.05
Bordeaux	27.71	17.00	+	27.68	16.81	+	27.85	17.00
Budapest	22.71	12.63	+	22.69	12.00	+	22.77	12.63
Buenos Aires	27.71	17.00	+	27.68	16.81	+	27.85	17.00
Copenhagen	29.71	18.05	+	29.70	17.81	+	29.85	18.05
Dallas	34.75	23.05	+	34.70	22.81	+	34.82	23.05
Dakar	27.71	17.00	+	27.68	16.81	+	27.85	17.00
Damascus	27.71	17.00	+	27.68	16.81	+	27.85	17.00
Dresden	24.75	14.67	+	24.70	14.00	+	24.82	14.67
Dubai	34.75	23.05	+	34.70	22.81	+	34.82	23.05
Dubrovnik	27.71	17.00	+	27.68	16.81	+	27.85	17.00
Durban	27.71	17.00	+	27.68	16.81	+	27.85	17.00
Edinburgh	24.75	14.67	+	24.70	14.00	+	24.82	14.67
Edmonton	27.71	17.00	+	27.68	16.81	+	27.85	17.00
El Paso	34.75	23.05	+	34.70	22.81	+	34.82	23.05
Frankfurt	27.71	17.00	+	27.68	16.81	+	27.85	17.00
Glasgow	24.75	14.67	+	24.70	14.00	+	24.82	14.67
Gothenburg	27.71	17.00	+	27.68	16.81	+	27.85	17.00
Haifa	27.71	17.00	+	27.68	16.81	+	27.85	17.00
Hamburg	24.75	14.67	+	24.70	14.00	+	24.82	14.67
Helsinki	27.71	17.00	+	27.68	16.81	+	27.85	17.00
Hiroshima	27.71	17.00	+	27.68	16.81	+	27.85	17.00
Isfahan	27.71	17.00	+	27.68	16.81	+	27.85	17.00
Istanbul	27.71	17.00	+	27.68	16.81	+	27.85	17.00
Johannesburg	27.71	17.00	+	27.68	16.81	+	27.85	17.00
Khartou								